CENTRAL STATISTICAL OFFICE

Economic Trends

ARTICLES

The economic situation

National income and expenditure in the fourth quarter of 1973

Employment in the public and private sectors of the United Kingdom economy

A cyclical analysis of new orders and deliveries in the United Kingdom engineering industries

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Release dates of economic statistics to be published in May 1974

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in May. The dates are those which departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

May 1974	*Series*	*Method of release*	*Source*
Thurs 2	UK official reserves (April)	PN	Treasury
	Capital issues and redemptions (April)	PN	Bank of England
	Slum clearance (1st qtr) (1)	PN	D of the Environment
	Housing starts and completions (March) (1)	PN	D of the Environment
	House improvement grants approved (March) (1)	PN	D of the Environment
Mon 6	Hire purchase and other instalment credit business (March)	PN	D of Industry
	Retail trade (March-final)	PN	D of Industry
Tues 7	Car and commercial vehicle production (April-provisional)	PN	D of Industry
	Consolidated Fund and National Loans Fund (April)	LG	Treasury
	Central government borrowing requirement (March)	FS	CSO/Treasury
Wed 8	London clearing banks monthly statement (mid-April)	PN	Ctte. LCB
	UK banks' eligible liabilities, reserve assets, and reserve ratios (mid-April)	PN	Bank of England
Thurs 9	CBI Industrial Trends Survey (April)	PN	CBI
Fri 10	Finished steel receipts, consumption and stock changes (1st qtr-provisional)	PN	D of Industry
	Crude steel production (April)	PN	BSC/BISPA
Mon 13	Wholesale prices index numbers (April)	PN	D of Industry
	Retail trade (April-provisional)	PN	D of Industry
	Turnover of catering trades (March)	PN	D of Industry
Wed 15	Balance of payments current account and overseas trade figures (April)	PN	D of Trade/CSO
Thurs 16	Sales and orders in the engineering industry (January)	T and I	D of Industry
Fri 17	Building societies' receipts and loans (April)	PN	Building Societies Assn.
Sun 19	National savings monthly progress report (April)	PN	National Savings Ctte.
Mon 20	Basic rates of wages and normal weekly hours (end-April)	PN	D of Employment
	Monthly index of average earnings (March)	PN	D of Employment
	UK banks' assets and liabilities and the money stock (mid-April)	PN	Bank of England
	Turnover of the motor trades (1st qtr)	PN	D of Industry
Tues 21	Preliminary estimates of gross domestic product based on output data (1st qtr)	PN	CSO
Wed 22	Consumers' expenditure (1st qtr-2nd preliminary estimate)	PN	CSO
	New vehicle registrations (April)	PN	D of the Environment
Thurs 23	Unemployment (May-provisional)	PN	D of Employment
	Unfilled vacancies (May-provisional)	PN	D of Employment
	Energy trends	T and I	D of Energy
	Car and commercial vehicle production (April-final)	PN	D of Industry
Fri 24	Retail prices index (April)	PN	D of Employment
Wed 29	Construction–new orders (1st qtr)	PN	D of the Environment
Thurs 30	Bricks and cement production (April)	PN	D of the Environment
	Unemployment (April-final)	Gazette	D of Employment
	Employment in production industries (March)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (March)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (April)	Gazette	D of Employment
	Central government borrowing requirement (April)	FS	CSO/Treasury

(1) These figures may be delayed due to the effects of the local government reorganisation.

PN=*Press Notice* LG=*London Gazette* FS=*Financial Statistics* T and I=*Trade and Industry*

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Economic Trends

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INTRODUCTION

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments. It provides charts and tables illustrating trends in the United Kingdom economy. In addition, there are articles which comment on and analyse economic statistics, introduce new series or describe methods used in compiling official statistics. This issue contains information available to the Central Statistical Office on or before 19 April 1974.

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Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned. The sources of the series published in this volume and further information about them are shown on page 43. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-930 5422 Ext 602.

Enquiries about orders and subscriptions should be made to the publisher, Her Majesty's Stationery Office, PO Box 569, London SE1 9NH Telephone 01-928 6977.

The economic situation

The Budget was introduced by the new Chancellor of the Exchequer on 26 March. By the end of the year demand was expected to be running at about £200 million (about one-third of one per cent of gross domestic product) lower than would otherwise have been the case and the Budget proposals were thus broadly neutral. The public sector borrowing requirement for 1974/75 was expected to be reduced by about £700 million, bringing it down to a little over £2,700 million; the net increase in expenditure amounted to a little under £700 million in 1974/75 and the increase in taxation to £1,400 million.

The *Financial Statement and Budget Report 1974-75*(1), published at the time of the Budget on 26 March, contains forecasts for the calendar year 1974. They show a fall of 5 per cent in gross domestic product in the first half of 1974, followed by a recovery in the second half to a level some 2½ per cent higher than a year earlier.

With three-day working for much of industry from the beginning of January to 11 March, output was heavily reduced. Details are not available but manufacturing production may have been running up to one-fifth below normal (though the index of industrial production for January and February, which is based partly on deliveries, does not fully reflect this). The reduction in gross domestic product may have been of the order of 10 per cent. The miners' strike ended, and the restrictions on industrial use of electricity were lifted on 11 March, and good progress has since been made towards full production. Coal output reached near-normal levels within a few days and by early April most industries were back to full working.

National income and expenditure in the fourth quarter of 1973

The output estimate of gross domestic product fell by ½ per cent between the third and fourth quarters of 1973. Before the fourth quarter gross domestic product had already begun to slow down, and in the second half of the year as a whole, the average estimate of gross domestic product was almost unchanged from the first half, although it was about 4 per cent higher than in the second half of 1972.

The volume of consumers' expenditure was unchanged in the fourth quarter, with a sharp drop in expenditure on motor vehicles offsetting increases in most other categories. There was no rise in consumers' expenditure between the first and second halves of the year. Gross fixed investment rose by 2 per cent in the second half of the year, and within the total, manufacturing investment increased by 6½ per cent and investment by the distributive and service industries (excluding shipping) by 4 per cent. Public sector investment rose by over 3 per cent, compared with a rise of only about 1¼ per cent in private investment as a whole. In the fourth quarter exports of goods and services fell slightly in volume whereas imports of goods and services increased by over 2 per cent.

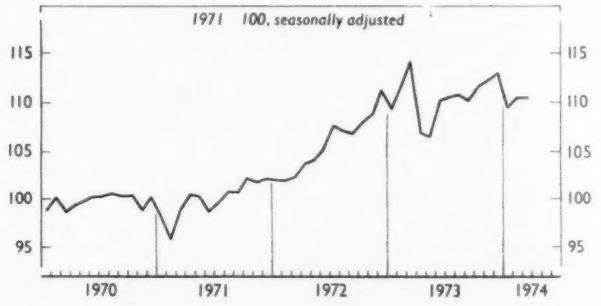
Wages and salaries rose by some 3½ per cent in the fourth quarter, and total personal income before tax increased at a similar rate. Between the first and second halves of 1973 the rise in total personal incomes in money terms was 5¾ per cent, giving a rise of 5½ per cent—1 per cent in real terms—after deducting taxes and national insurance contributions. The personal savings ratio remained high in the fourth quarter of 1973 and in the second half-year as a whole averaged 10·4 per cent compared with just under 9 per cent on average during 1972.

Recent indicators of demand and output

Sales

The first preliminary estimate of consumers' expenditure for the first quarter of 1974 shows a fall of about 1½ per cent compared with the fourth quarter of 1973. In

Volume of retail sales



January and February together the average volume of retail sales was 1¼ per cent lower than in the second half of 1973, with a fall of 5 per cent in sales by durable goods shops accounting for most of the decline. The volume of sales appears to have increased slightly between January and February, but sales in January may have been reduced by the New Year's Day closure. Preliminary indications suggest that in March sales were again at about the February level. New car registrations showed some increase in February, and on preliminary estimates were little further changed in March, but the average for the first quarter was probably some 13 per cent below the

(1) The *Financial Statement and Budget Report 1974-75* is available from HMSO, price 57p. It also summarises economic developments during 1973 and the early months of 1974. Following normal practice there was no monthly report on the economic situation in March.

Note: Unless otherwise stated, this report is based on seasonally adjusted data.

average for the fourth quarter of 1973 and about 25 per cent below the average for 1973 as a whole.

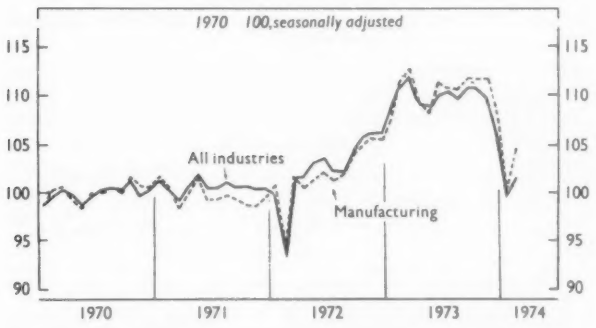
Construction

Private housing starts reported in February remained at the very low January level, and in the six months to February they were 24 per cent lower than in the preceding six months and 31 per cent lower than the corresponding period a year earlier. There was some increase in the recorded level of public sector housing starts in January and February but their average level in the six months to February was much the same as a year earlier. The volume of new construction orders in January was 6 per cent lower than the average for the fourth quarter of last year, with a significant fall in the volume of orders in all categories of construction (apart from public sector housing).

Production

The recorded index of industrial production showed some recovery in February after declining in December and January. In the first two months of 1974 the provisional all industries index averaged 9 per cent below the level in the period August to October, immediately before

Industrial production



the miners' dispute started, and manufacturing production 8 per cent below it; but since many of the series used in the index are based on deliveries rather than production the actual fall in output was probably greater than the index would suggest. Output of the food, drink and tobacco industries, which were largely exempt from the electricity restrictions, remained at a high level in January and February, as did chemical production. But the output of most other sectors was reduced in varying degrees.

Trade

In March the current account is estimated to have been in deficit by £371 million. The deficit on trade in goods was £453 million, of which £294 million is accounted for by the deficit on trade in petroleum and petroleum products. A further increase in the oil trade deficit more than accounted for the worsening of £24 million in the total visible trade deficit in March. The balance on services and other current transactions is estimated to have been running at a monthly surplus of about £82 million. The value of exports in March was £1,209 million on a balance of payments basis, and in the first quarter they averaged nearly 12 per cent higher than in the final quarter of 1973. Imports were £1,662 million in March, £83 million more than in February of which £49 was due to a higher value of oil imports, mainly as a result of a further rise in the import price of crude oil. The high import figure in March probably also reflected shortages in home supplies as a result of short-time working. In the first quarter of 1974 imports averaged 15 per cent higher than in the previous quarter: oil imports rose by 101 per cent and non-oil imports by 5 per cent.

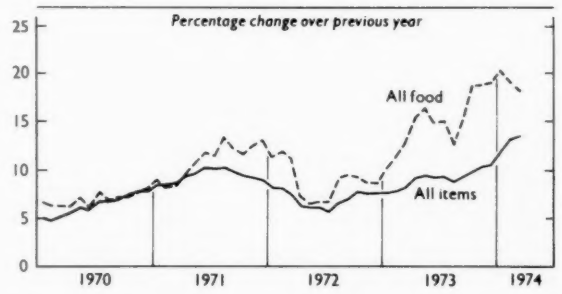
Labour market

In March the level of unemployment remained almost unchanged and the seasonally adjusted total for the United Kingdom as a whole (excluding school-leavers and adult students) remained at 2·5 per cent, as in January and February, compared with a low point of 2·2 per cent in December. There was also little further change in March in the level of unfilled adult vacancies, which had dropped substantially between November and February. The daily number of temporarily stopped workers, which was over 600,000 during February, fell back very sharply to about 100,000 as soon as three-day working was ended on 11 March. In January, the latest month for which figures are available, the amount of overtime working dropped by nearly 40 per cent, reflecting three-day working.

Prices and incomes

Retail prices (not seasonally adjusted) increased by just under 1 per cent in March, following a larger rise of 1¾ per cent in February. The March index was 13½ per cent higher than a year earlier and about 6 per cent higher than in October 1973. Food prices increased by about 1 per cent in March and non-food prices by about ¾ per cent.

Retail prices index



Wholesale prices of home sales of manufactured products (not seasonally adjusted) increased by about 3 per cent in March, bringing the increase during the first three months of the year to 9 per cent of which 2 per cent was attributable to the direct effect of higher prices for oil products. Prices of basic materials and fuels rose by about 1 per cent on average in March, with higher copper prices accounting for virtually the whole

increase. As in February, the March increase was much lower than in other recent months.

The index of hourly wage rates (not seasonally adjusted) increased by 1¼ per cent in March following a smaller rise of about ¾ per cent in February. In March hourly wage rates were about 15¼ per cent higher than a year earlier. The coal miners' settlement was responsible for much of the March increase. Average earnings continued to be affected by three-day working in February (the latest month for which figures are available), though there was an increase of 1½ per cent compared with January in the provisional seasonally adjusted index, partly reflecting the fact that more firms were using their own generators and fewer hours were lost. In January and February together earnings were about 4 per cent on average lower than in December.

Financial developments

During the banking month ending on 20 February the narrow version of the money stock, M_1, fell by ½ per cent and the broad version, M_3, rose by 1¼ per cent, one of the smallest rises for some months. Over the latest three banking months M_1 fell by ½ per cent and M_3 rose by 6¼ per cent.

The smaller rise in M_3 during February was associated partly with slower growth of bank lending to the private sector. Lending in sterling rose by only about £120 million on a seasonally adjusted basis (compared with rises of £500 million or so in most recent months) even though it included some further support lending for 'fringe' banks. Short-time working during the month did not appear to have led to increased demand for bank finance at that time.

Repayments of special deposits totalling some £450 million (1½ per cent of banks' eligible liabilities) were announced during April, which brought about a reduction in short-term interest rates. Minimum lending rate fell from 12½ per cent at the beginning of the month to 12 per cent following the Treasury bill tender on 11 April, and the clearing banks announced a reduction in their base rates to 12½ per cent.

The United Kingdom official reserves rose by $478 million during March after accruals of foreign currency borrowing by the public sector under the exchange cover scheme totalling $682 million. At the end of March they stood at $6,444 million. The effective depreciation of sterling compared with Smithsonian exchange rates was about 17½ per cent at the close on 18 April.

19 April 1974

HM Treasury

National income and expenditure in the fourth quarter of 1973

This article presents quarterly estimates of national income and expenditure up to the fourth quarter of 1973. Many of these figures were published on 21 March in the White Paper *Preliminary Estimates of National Income and Balance of Payments 1968 to 1973* (Cmnd. 5575). The tables which follow this article contain more detailed quarterly information than the White Paper and also include some revisions for 1972 and 1973. As is usual, these revisions relate mainly to the estimates of fixed investment and stockbuilding for the fourth quarter, to bring the figures in line with the information published in *Trade and Industry* on 4 April. These revisions were incorporated in the summary estimates given in the press notice issued on 5 April. An analysis of the revisions since the last article in this series, showing the effects on the annual estimates of the major components of income and expenditure is given at the end of this article. Unless otherwise stated, all comment in this article refers to seasonally adjusted data.

Gross domestic product (Table 4)

Earlier articles in this series have mentioned that the latest quarter to quarter movements shown by the expenditure-based estimate are liable to erratic fluctuations, and that it is considered that of the three measures of gross domestic product, the output-based estimate normally provides the best indication of movements over short-term periods. Between the third and fourth quarters of 1973 the output measure fell by ½ per cent, reflecting the first effects of the oil supply restrictions and of the state of emergency which both came into force in the fourth quarter. This fall followed a period after the first quarter of 1973 of rather slow growth in output; between the first half of 1973 and the third quarter, the output measure showed an increase of under 2 per cent at an annual rate.

Over a longer period the average of the three measures of gross domestic product can be considered to give the most reliable indication of movement; between the second halves of 1972 and 1973 it grew by almost 4½ per cent, a rather higher rate than the growth of over 3½ per cent over the same period provided by the output measure alone. While the income measure rose over this period at much the same rate as the average, the expenditure estimate increased rather more rapidly by just over 5 per cent.

At current prices, the gross domestic product (measured by the average of income and expenditure data) is estimated to have risen by over 1½ per cent between the third and fourth quarters of 1973, and by almost 13½ per cent between the second halves of 1972 and 1973. Over this latter period, the index of total home costs (derived from the expenditure measure at current and constant prices) increased by nearly 8½ per cent, and on the most recent comparison between the third and fourth quarters of 1973, the rise in total home costs was 2 per

Gross domestic product at factor cost(1)

Seasonally adjusted — Index numbers, average 1971 = 100

	At current prices		At 1970 prices			
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data(2)	Based on output data	Average estimate
1971	100·0	100·0	100·0	100·0	100·0	100·0
1972	111·5	112·5	101·5	102·4	103·2	102·3
1973	128·5	129·4	107·4	108·1	108·2	107·9
1971 1st quarter	94·0	95·2	98·1	99·4	98·5	98·7
2nd quarter	97·7	97·6	99·4	99·3	100·0	99·6
3rd quarter	103·4	102·7	101·2	100·6	100·4	100·7
4th quarter	104·9	104·4	101·3	100·7	101·0	101·0
1972 1st quarter	106·6	105·5	100·2	99·2	100·5	99·9
2nd quarter	109·4	110·7	101·4	102·6	103·3	102·4
3rd quarter	112·4	113·8	101·3	102·5	103·6	102·4
4th quarter	117·5	119·9	103·0	105·2	105·5	104·6
1973 1st quarter	126·6	124·9	108·4	106·9	108·4	107·9
2nd quarter	126·1	128·2	106·7	108·6	107·5	107·6
3rd quarter	130·3	130·3	107·9	107·9	108·7	108·2
4th quarter	131·1	134·1	106·5	109·0	108·1	107·9
1971 1st half	95·8	96·4	98·8	99·3	99·3	99·1
2nd half	104·2	103·6	101·2	100·7	100·7	100·9
1972 1st half	108·0	108·1	100·8	100·9	101·9	101·2
2nd half	115·0	116·9	102·1	103·9	104·5	103·5
1973 1st half	126·4	126·6	107·6	107·8	108·0	107·8
2nd half	130·7	132·2	107·2	108·4	108·4	108·0

(1) These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
(2) Income data deflated by the price index implied by estimates based on expenditure data.

cent. Estimates of gross domestic product at current and constant prices are given as index numbers in the table above.

Expenditure (Table 1)

The quarter-to-quarter changes in the expenditure-based estimate of gross domestic product are subject to erratic influences, thought mainly to reflect timing differences in the components. Thus it is likely that the recorded pattern of expenditure in the first half of 1973 was distorted by the upsurge in spending in the first quarter before the introduction of VAT. However, there were no obvious disturbing influences in the second half of 1973 and the fall in the expenditure-based estimate of over 1 per cent between the third and fourth quarters is little greater than the fall of ½ per cent shown by the output estimate. Over an annual period of comparison, between the second halves of 1972 and 1973, the expenditure estimate rose by 5 per cent, a somewhat greater increase than the 4½ per cent rise shown by the average measure of gross domestic product over this period.

Consumers' expenditure was unchanged in volume in the fourth quarter; between the third and fourth quarters small rises in most categories of goods and services were offset by a sharp fall in the expenditure on cars and motor cycles. Comparing the second half of 1973 with the same period in 1972, the volume of consumers' expenditure rose by 3 per cent, and among the categories of expenditure there were notable rises in the sales of alcoholic drink, and of radio and electrical goods.

In the fourth quarter the volume of exports of goods and services fell slightly, whereas there was a rise of 2 to 2½ per cent in the volume of imports. Over the year between the second halves of 1972 and 1973 both exports and imports increased in volume by around 10½ per cent.

The volume of fixed investment rose by 1½ per cent in the fourth quarter, and on the annual comparison between the second halves of 1972 and 1973 there was a rise of over 5½ per cent. The growth over this period was concentrated largely on investment in plant and machinery, which rose by nearly 15½ per cent, and in vehicles, which grew by 11 per cent. Investment in manufacturing industry rose over the annual period by 13 per cent, over twice the average rate for all fixed investment, but most other industries increased their spending by much smaller amounts. However, investment by mining and quarrying showed an exceptional rise over this period, reflecting the growing exploration activity in the North Sea.

The value of physical increase in stocks was estimated to have risen by £92 million in the fourth quarter at 1970 prices, maintaining the build-up observed throughout the first three quarters of 1973. Nearly all of the increase came within manufacturing industries, and the greater part of this occurred in stocks of raw materials and of work in progress.

Factor incomes (Table 2)

Total domestic income, which is measured at current prices, is provisionally estimated to have risen by over 3 per cent between the third and fourth quarters of 1973, and income from employment, which is the major component, increased at a very similar rate over this period. On a longer term comparison, between the second halves of 1972 and 1973, total domestic income increased by over 16 per cent, a little more than the rise of nearly 14 per cent estimated for income from employment. If stock appreciation is deducted, the rise in total domestic income over this period is reduced to 13 per cent.

Gross trading profits of companies before providing for depreciation and stock appreciation are provisionally estimated to have risen by over 4½ per cent between the first and second halves of 1973, although this rise was more than accounted for by the sharp increase in stock appreciation. If the estimate of stock appreciation is deducted, gross trading profits would have fallen by nearly 14 per cent over this half-year period. The effect of stock appreciation is similarly marked on the longer term comparison; between the second halves of 1972 and 1973 company gross trading profits were estimated to have risen by 24 per cent, but this increase is reduced to 1½ per cent after the deduction of stock appreciation. The increase in gross trading surpluses of public corporations over the same period is also reduced from about 15 per cent to 8½ per cent by the deduction of stock appreciation. The other major component of domestic income, namely income from rent and self-employment, grew rapidly by 20½ per cent between the second halves of 1972 and 1973; after deducting stock appreciation, this rise is reduced to under 18 per cent.

Output (Table 3)

The output estimate of gross domestic product fell by ½ per cent in the fourth quarter, reflecting the first effects of the coal shortage and of the emergency measures, which reduced industrial production in December. Over the fourth quarter as a whole, industrial production fell by nearly 1½ per cent, and the fall in manufacturing was a little less, at just under 1 per cent. This reduction in output was distributed among all the major industry groups within manufacturing, except chemicals, coal and petroleum products, and textiles, leather and clothing, which showed small increases against the general pattern of movement. Outside manufacturing there was a sharp drop of 10 per cent in the output of mining and quarrying, which was directly affected from the middle of November by the miners' overtime ban, and a fall of around 3 per cent in construction output. However, the service industries (not included in industrial production) were little affected by the fuel shortages or the emergency measures in the fourth quarter.

Between the second halves of 1972 and 1973 the output estimate of gross domestic product rose by 3½ per cent, and within this total industrial production increased by 5 per cent. All major industry groups included in industrial production shared in this increase except mining and quarrying which was affected directly by the miners' overtime ban as mentioned above.

Personal income, expenditure and saving (Tables 5 and 12)

Total personal income before tax rose by 3 to 3½ per cent between the third and fourth quarters of 1973, just a little less than the 3½ per cent rise in wages and salaries over this period. Other personal income recorded a small fall between the last two quarters of 1973, reflecting a drop in dividend payments by companies in the last quarter. On a longer term comparison, between the

second halves of 1972 and 1973, total personal income before tax rose by 15 per cent, and wages and salaries, which is the major component, by rather less at 14 per cent. Both Forces' pay and current grants from public authorities grew over this period by much less than the total; the slower growth of current grants reflected in part the fall in unemployment resulting in a smaller payment of unemployment benefit. Other personal income rose by 22½ per cent on this annual comparison, although this rise was affected by the very rapid increase in stock appreciation and the distortion to the timing of dividend payments by companies around the period of changeover to the new system of corporation tax in April 1973 (see commentary on the company sector). If allowances are made for the distortion to dividend payments, the rise in other personal income over the year from the second half of 1972 is reduced to about 20 per cent, and if stock appreciation is also deducted, the rise in other personal income is further reduced to about 18 per cent.

Taxes on income and national insurance contributions rose by 4½ per cent in the fourth quarter, and total personal disposable income increased by 3 per cent. Over a longer period between the second halves of 1972 and 1973 the rise in total personal disposable income was 14 per cent, a little lower than the rise of almost 15 per cent between the years 1972 and 1973 taken as a whole, possibily indicating some slowing down in the rate of growth in personal incomes towards the end of last year. Between the second halves of 1972 and 1973, taxes on income and national insurance contributions rose by 20½ per cent, a larger rise than that of total personal income, mainly reflecting the effects of 'fiscal drag'.

In the fourth quarter consumers' expenditure rose by 2½ per cent, slightly less than the 3 per cent increase in personal disposable income, so that the savings ratio was increased to 10·7 per cent from the already high level of the preceding quarter. Real personal disposable income (after allowing for rises in consumer prices) was little changed between the third and fourth quarters of 1973, and on the annual comparison between the second halves of 1972 and 1973, the increase in real personal disposable income was 4½ to 5 per cent. Over the same period the consumers' expenditure deflator rose by 9 per cent.

In the fourth quarter the volume of consumers' expenditure was at the same level as both in the third quarter and over the average of the first three quarters of 1973. This last comparison, which is fairly free of the effects of the pre-VAT spending boom, indicates a virtual halt to growth after the rapid increases during 1971 and 1972. Within the unchanged total there were small rises between the third and fourth quarters in most categories, offset by a sharp fall of nearly 16 per cent in expenditure on cars and motor cycles, whose sales had been adversely affected by fears of oil shortages.

On the longer term comparison between the second halves of 1972 and 1973, the increase in the volume of consumers' expenditure was 3 per cent representing, as indicated above, growth in the earlier part of this period. On this comparison there was a large increase of 13 per cent in expenditure on beer, and the even sharper increase of 27 per cent on other alcoholic drink. Expenditure on radio and electrical goods also rose by over 15 per cent in the year to the second half of 1973, in contrast to other categories of durable goods which showed declines in sales over this period. There was an increase of just over 7 per cent in the expenditure on tobacco, and of about 5 per cent on other goods.

Company sector (Table 6)

Company income in total rose by 12½ per cent between the first and second halves of 1973, but gross trading profits which represent about one-half of the total, grew much less rapidly (almost 5 per cent) between the half-year periods. This latter rise was more than accounted for by stock appreciation, and if this were deducted, gross trading profits would have fallen over the half-year period by nearly 14 per cent. However, rent and non-trading income increased sharply over this period, reflecting both the higher level of advances and rising interest rates while income from abroad rose even more rapidly due to the combination of several effects.

Firstly, the profitability of overseas subsidiaries increased in the last half of 1973, due in part to a growth in realised stock appreciation linked to the rise in world commodity prices, and to the beneficial impact of movements in exchange rates. Income from abroad net of taxes paid abroad grew by 14½ per cent between the two halves of the year. But taxes paid abroad (which are included in the total of income from abroad and also included as part of the allocation of company income) rose by 31½ per cent between the first and second halves of 1973. Four-fifths of this rise came from tax increases, announced on oil companies by the major oil producing states in the last quarter of 1973, in association with the rise in world oil prices.

Over an annual comparison between the second halves of 1972 and 1973, total company income rose by 33 per cent; within the totals gross trading profits rose by nearly 24 per cent, but after deducting stock appreciation this rise was reduced to just under 1½ per cent. As in the short-period comparison, the other two major components of company income both rose at a more rapid rate than the total.

As mentioned in previous articles in this series, the timing of dividend payments continues to be affected by the change to the new system of corporation tax which took effect from 6 April 1973. Payments were first deferred (mainly from the second half of 1972) so as to fall into the accounting periods straddling the changeover date, and then (mainly from the second half of 1973) so as to fall into the following periods. In addition the recording in the company sector accounts of dividends and payments of taxes on income are affected by this change to the tax system. Adjustments may be made both for this recording change, and for the timing distortions, although the adjustment for the latter is subject to a wide margin of error, particularly when applied to short periods. If both these adjustments are made, the rise in ordinary dividend payments between the first and second halves of 1973 was about 7½ per cent and between the years 1972 and 1973, the rise was nearly 11 per cent. This rise reflects not only the increases in the rates of dividends declared but also the increase over time in share capital owned outside the company sector, which may be affected both by new issues and by changes in the sector of ownership of existing shares. On the annual comparison between 1972 and

1973, the rise in other interest payments after a small recording adjustment in respect of preference dividends, was 61½ per cent, reflecting both the general rise in interest rates, the increases in the levels of bank and building society deposits, and in deposits of other financial companies. These increased payments by financial companies may be regarded as the counterpart of the increase in their income from interest on loans, notably on bank advances and building society mortgages, included on the income side of Table 6.

Profits due abroad (net of UK tax) and taxes paid abroad also rose by 37½ per cent between the second halves of 1972 and 1973, reflecting in part the sharp increases in taxes paid abroad discussed above. Payment of UK taxes rose over the same period by nearly 13 per cent, after the adjustment for the change in the recording of taxes on 6 April 1973, also mentioned above. Company saving is affected by the timing of dividend payments over the last few quarters, and if an adjustment is made for the timing distortion, there was a slight fall in saving between the first and second halves of1973, reflecting the marked slowing down in the growth of gross trading profits over this period. On the annual comparison between the second halves of 1972 and 1973, company saving after adjustment rose by around 37 per cent; if stock appreciation were deducted, the rise in company saving over this period would have been 9 per cent.

Public corporations (Table 7)

The gross trading surplus in the fourth quarter rose by 7 per cent, and the revised movement between the second halves of 1972 and 1973 was over 14½ per cent. The revisions to the published gross trading surplus over the last few years mainly result from the increase in central government subsidies to public corporations following the Statutory Corporations (Financial Provisions) Act which allows compensation for price restraint to be paid to the electricity boards, the Gas Corporation and the Post Office. The total subsidy paid in respect of the three years 1970/71 to 1972/73 was £146 million, and a much larger sum is expected to be paid in respect of 1973/74.

Payments of interest rose by nearly 10 per cent in the fourth quarter, continuing the rapid increase shown in the earlier part of the year. This upward trend reflects the rises both in interest rates and in public corporations' debt. The revised balance of saving (also affected by the subsidy increases mentioned above) rose steadily throughout 1973, and the increase between the second halves of 1972 and 1973 was 13½ per cent.

Central government (Table 8)

Total receipts by central government rose by nearly 5 per cent in the fourth quarter, and by 14½ per cent between the second halves of 1972 and 1973. Taxes on income rose over this annual period by 20 per cent, rather more rapidly than the increase in receipts in total, but the rise in taxes on expenditure over the same period was just over 7 per cent. This last comparison is affected by the change in the system of taxation with the introduction of VAT in the second quarter of 1973. It also reflects the relatively slow growth in the yields of specific duties which rise in line with changes in volume rather than in value of the appropriate categories of expenditure. Receipts of national insurance contributions rose between the second halves of 1972 and 1973 by nearly 21 per cent, reflecting rises in the rates of contributions and in incomes over this period.

Total current expenditure was up by 6 per cent in the fourth quarter, a slightly faster rate of increase than the 4½ to 5 per cent rise in expenditure on goods and services, chiefly because there were sharp rises in payments of national insurance benefits and other current grants to the personal sector; this last rise was mainly due to the payment of the pensioners' Christmas bonus. Between the second halves of 1972 and 1973 total current expenditure rose by over 16 per cent, and, as observed in the short-period comparison, expenditure on goods and services rose at a less rapid rate (12½ per cent) than the total, while most other items rose more rapidly. There were particularly large increases in subsidies over this period, reflecting the provisions for price restraint made to certain nationalised industries described in the section above on public corporations. National insurance benefits increased over the same period by over 12½ per cent, and there were larger rates of increase in debt interest payments and current grants to local authorities. The balance of saving on current account followed an erratic path through 1973, but the average saving in the second half of the year taken as a whole was less than that over the same period in 1972.

Local authorities (Table 9)

Total receipts by local authorities in the fourth quarter rose slightly above the average taken over the preceding quarters in 1973, following the sharp rise from the average in 1972. The longer term comparison between the second halves of 1972 and 1973, which reflects this rise, shows an increase in total receipts of nearly 18 per cent. Receipts of rates over this period rose much more slowly, by 11 per cent, reflecting the reduced impact on ratepayers of the growth in local authority expenditure made possible by the sharp increase over the same period of nearly 24 per cent in current grants from central government. The rise in receipts of rents, dividends and interest was 16 per cent over this period, a little less than the rise in total receipts.

Total expenditure rose by over 4 per cent in the fourth quarter, continuing the steady increase shown throughout the latest year. The rise in current expenditure on goods and services, at 3½ per cent, was a little lower, but this was offset by a rather greater rise in debt interest payments. The balance of current saving was sharply reduced. Between the second halves of 1972 and 1973, total expenditure rose by over 18 per cent, but there was less increase (by 14½ per cent) in current expenditure on goods and services. Over this period there was an above-average increase in debt interest payments, and a very rapid rise in current grants to the personal sector, which reflected the introduction of the rate rebate scheme by local authorities in October 1972.

Combined capital account (Table 10—not seasonally adjusted)

Total current saving (before deduction of stock appreciation) rose by £637 million between the fourth quarters of

1972 and 1973, a lower increase than shown by the corresponding annual comparisons for each of the first three quarters of 1973. Company saving was responsible for almost two-thirds of the increase in the fourth quarter, and nearly the whole of the rest was in saving by the personal sector. Public corporations and local authorities both showed small increases in saving between the fourth quarters of 1972 and 1973, but there was an increase in the dissaving by central government. Stock appreciation continued to rise throughout 1973, and in the fourth quarter was over £500 million higher than in the same quarter of 1972.

Fixed investment in total increased by £711 million between the fourth quarters of 1972 and 1973. There were substantial rises at current prices between these two quarters in investment by companies, and central and local authorities, but the increase in investment by public corporations was rather smaller. There was a decline in investment by the personal sector reflecting the fall in private housebuilding in the latter part of 1973. Over the same period, between the fourth quarters of 1972 and 1973, there was a rise in the value of physical increase of stocks of £209 million, but a deterioration in the current account of the balance of payments of £663 million.

International transactions (Table 11)

In the fourth quarter the deficit on current account increased sharply to £729 million; the deficit on goods alone was £1,019 million but this was partly offset by a surplus of £290 million on invisibles (services, property income and transfers). Exports of goods and services rose in value by 3 per cent in the fourth quarter, but this rise was more than accounted for by price increases, and in volume terms there was a slight fall in exports. Imports of goods and services increased by nearly 11 per cent in value between the third and fourth quarters, and the most notable features within this movement were the above-average increases in the values of most categories of imported materials and semi-manufactured goods. The greater part of these increases resulted from movements in prices, including the rapid rise in oil prices, and the volume of imports of goods and services rose by only 2 to 2½ per cent.

From the second half of 1972 to the same period in 1973 the value of exports of goods and services rose by 28 per cent, and the corresponding rise for imports was 42½ per cent. For both exports and imports, the proportion of trade represented by goods increased over this period, and there was a particularly sharp rise in the value of imported goods. In volume terms, both exports and imports of goods and services increased by around 10½ per cent (given in Table 1) between the second halves of 1972 and 1973, so that the greater rise in the value of imports over this period was wholly due to a deterioration in the terms of trade, associated with the depreciation of sterling and with the rise in world prices. Over the same period net property income from abroad after tax payments increased by 75 per cent.

Gross domestic fixed capital formation (Table 13 and 14)

Between the third and fourth quarters of 1973 the volume of total fixed investment rose by almost 1½ per cent, although this rise was more than accounted for by an erratic increase in the recorded investment in shipping. A comparison over a longer period between the second halves of 1972 and 1973, gives a rise in total fixed investment of over 5½ per cent, and this rate of increase is probably less influenced by erratic movements in the shipping component. Over this annual period fixed investment by the public sector rose by nearly 8 per cent, rather more rapidly than the growth in the private sector. The revised estimates for fixed investment by public corporations, included in the public sector, show a rise over the same period of 7 per cent.

The volume of investment in vehicles, ships and aircraft rose very sharply between the third and fourth quarters of 1973, although much the greater part of this came from the shipping component. Investment in all other major asset categories fell in the last quarter, and the falls were particularly large in dwellings, both in the private and public sectors. Over a longer period, between the second halves of 1972 and 1973, there was an increase in public dwelling investment of 6 per cent, and revised estimates of private housebuilding show a smaller increase over this period of 2½ per cent. Investment in other new buildings and works declined over this annual period by nearly 5 per cent, but investment in vehicles and in plant and machinery increased fairly sharply by 11 per cent and 15½ per cent respectively. Fixed investment by manufacturing increased in volume by 13 per cent over the year between the second halves of 1972 and 1973, and this rise was well over the corresponding increase of over 5½ per cent for all industries. Other industries with above-average rises over this period were transport and communication, which included a high recorded investment in shipping in the fourth quarter of 1973, and mining and quarrying, whose investment is estimated to have increased by nearly three-quarters, reflecting the growing exploration activity in the North Sea. Investment by the gas, electricity and water industries in total fell over this period by 11 per cent.

Value of physical increase in stocks and work in progress (Table 15)

The estimated value of the physical increase in stocks at 1970 prices was £92 million in the fourth quarter. This was less than the revised increase in the third quarter, but still maintained the continuous build-up of stocks throughout 1973. The whole of the physical increase in the fourth quarter occurred in manufacturing industries, with a rate of stockbuilding similar to the average for the first three quarters of the year. The total stockbuilding in manufacturing throughout 1973 almost matched the run-down of stocks in these industries in the previous year. There were small increases in stocks at 1970 prices in retail and wholesale distribution, but a net reduction of stocks in other industries.

In the fourth quarter there were large increases in stocks of raw materials and of work in progress in manufacturing, but only a very moderate increase in the stocks of finished goods. Taking the year 1973 as a whole there was a slight fall in stocks of finished goods in manufacturing but substantial rises in stocks of raw materials and of work in progress.

Notes on revisions

Since the last quarterly article, which appeared in the January issue of *Economic Trends*, a number of revisions have been made to the estimates for 1973 and earlier years. Most of these revisions were incorporated in the White Paper. The table below shows for the years 1968 to 1972 the revisions which have been made since the January article to the main components of the current and constant price estimates of expenditure gross domestic product and the estimates of factor incomes. Some of these revisions will have carried through to 1973 and other, later information will also have led to changes to certain series in that year.

£ million

	1968	1969	1970	1971	1972
EXPENDITURE					
At current prices					
Consumers' expenditure	—	—	—	+ 62	+179
Public authorities' current expenditure on goods and services	—	—	—	+ 14	+ 55
Gross domestic fixed capital formation	—	—	—	—	+ 83
Value of physical increase in stocks and work in progress	—	—	—	—	+ 21
Exports of goods and services	—	+ 6	+ 5	+ 6	— 15
Imports of goods and services(1)	—	—	—	—	— 14
Adjustment to factor cost(1)	—	—12	—42	— 53	— 38
Gross domestic product at factor cost(1)	—	+18	+47	+135	+375
Revalued at 1970 prices					
Consumer's expenditure	—	—	—	+ 43	+ 56
Public authorities' current expenditure on goods and services	—87	—16	—	— 64	— 55
Gross domestic fixed capital formation	—	—	—	—	+ 47
Value of physical increase in stocks and work in progress	—	—	—	—	+ 18
Exports of goods and services	—	+ 7	+ 5	+ 3	— 29
Imports of goods and services(1)	—	—	—	— 6	— 37
Adjustment to factor cost(1)	—38	—40	—42	— 43	— 46
Gross domestic product at factor cost(1)	—49	+31	+47	+ 31	+120
FACTOR INCOMES					
Income from employment	+16	+19	+25	+ 33	+113
Gross trading profits of companies	—	+16	—79	+ 5	+ 82
Gross trading surplus of public corporations	—	—	+40	+ 45	+ 33
Gross profits of other public enterprises	—	—	—	—	—
Income from rent and self-employment	—	+ 9	+26	+ 72	+262
Total domestic income	+16	+44	+12	+155	+490

(1) Estimates of imports of goods and services and the adjustment to factor cost are deducted in arriving at gross domestic product at factor cost. The effect of revisions to these estimates on the total therefore involves reversing the sign.

Notes: The revisions to the gross trading surpluses of public corporations and to the adjustment to factor cost were caused mainly by the recent introduction of subsidies to public corporations to cover the losses resulting from price restraint over the past few years (described in the main text of this article). The estimates of central government expenditure at constant prices have been revised downwards from 1970 onwards. In particular, volume indicators of employment have been substituted throughout the central government sector in place of deflated wages and salaries. Corrections have also been made to public authorities' current expenditure on goods and services at constant prices for years prior to 1970, and these corrected figures were set out in a table on page 24 of *Preliminary Estimates of National Income and Balance of Payments 1968 to 1973* (Cmnd. 5575) published on 21 March.

Other revisions to components of expenditure, and to factor incomes are due essentially to the incorporation of later information. Income from self-employment has been revised upwards in 1971 and 1972 as a result of improved estimates for those years.

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*The tables show annual figures from 1968 and quarterly figures from 1971.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product at factor cost(1)	Final expenditure on goods and services at market prices						Imports of goods and services	Taxes on expenditure	Subsidies
		Total		Consumers' expenditure	Public authorities' current expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services			
		Unadjusted	Seasonally adjusted							
At current prices										
1968	37,263	52,358		27,335	7,727	8,055	439	8,802	9,187	6,818	910
1969	39,186	55,786		28,968	8,088	8,458	416	9,856	9,678	7,789	867
1970	42,835	61,239		31,404	9,095	9,223	257	11,260	10,872	8,433	901
1971	48,294	68,011		34,900	10,353	10,101	19	12,638	11,857	8,808	948
1972	53,839	75,370		39,442	11,757	11,297	—419	13,293	13,423	9,279	1,171
1973	62,079	88,666		44,734	13,254	13,617	603(2)	16,458	18,256	9,775(2)	1,444
1971 1st quarter ..	10,855	15,528	16,118	7,806	2,458	2,421	8	2,835	2,871	2,044	242
2nd quarter ..	11,801	16,833	16,833	8,643	2,535	2,411	— 15	3,259	3,009	2,257	234
3rd quarter ..	12,447	17,398	17,381	8,956	2,626	2,526	30	3,260	2,985	2,186	220
4th quarter ..	13,191	18,252	17,679	9,495	2,734	2,743	— 4	3,284	2,992	2,321	252
1972 1st quarter ..	12,322	17,332	17,956	8,867	2,875	2,744	—267	3,113	3,195	2,162	347
2nd quarter ..	13,234	18,564	18,526	9,689	2,824	2,689	— 26	3,388	3,267	2,333	270
3rd quarter ..	13,500	18,777	18,830	10,038	2,956	2,787	— 46	3,042	3,263	2,309	295
4th quarter ..	14,783	20,697	20,058	10,848	3,102	3,077	— 80	3,750	3,698	2,475	259
1973 1st quarter ..	14,505	20,704	21,496	10,315	3,216	3,326	159	3,688	4,099	2,376	276
2nd quarter ..	15,172	21,330	21,359	10,936	3,175	3,115	59(2)	4,045	4,296	2,217(2)	355
3rd quarter ..	15,729	22,544	22,598	11,363	3,347	3,388	256	4,190	4,660	2,527	372
4th quarter ..	16,673	24,088	23,213	12,120	3,516	3,788	129	4,535	5,201	2,655	441
Revalued at 1970 prices										Adjustment to factor cost(3)	
1968	41,586	58,888		30,556	9,103	8,951	471	9,807	10,058	7,244	
1969	42,187	59,785		30,638	8,960	9,042	419	10,726	10,355	7,243	
1970	42,835	61,239		31,404	9,095	9,223	257	11,260	10,872	7,532	
1971	43,697	62,942		32,254	9,366	9,269	— 7	12,060	11,392	7,853	
1972	44,332	65,317		34,171	9,731	9,429	—394	12,380	12,512	8,473	
1973	46,925	69,787		35,695	10,095	9,838	683	13,476	13,903	8,959	
Unadjusted											
1971 1st quarter ..	10,274	14,861		7,452	2,344	2,320	15	2,730	2,791	1,796	
2nd quarter ..	10,867	15,661		8,013	2,312	2,252	— 36	3,120	2,875	1,919	
3rd quarter ..	11,060	15,920		8,195	2,337	2,277	15	3,096	2,857	2,003	
4th quarter ..	11,496	16,500		8,594	2,373	2,420	— 1	3,114	2,869	2,135	
1972 1st quarter ..	10,448	15,454		7,891	2,453	2,383	—232	2,959	3,049	1,957	
2nd quarter ..	11,109	16,350		8,493	2,383	2,288	— 37	3,223	3,121	2,120	
3rd quarter ..	11,041	16,156		8,670	2,426	2,297	— 51	2,814	3,010	2,105	
4th quarter ..	11,734	17,357		9,117	2,469	2,461	— 74	3,384	3,332	2,291	
1973 1st quarter ..	11,238	16,836		8,497	2,516	2,515	98	3,210	3,477	2,121	
2nd quarter ..	11,667	17,288		8,814	2,488	2,285	289	3,412	3,420	2,201	
3rd quarter ..	11,822	17,506		8,998	2,522	2,421	184	3,381	3,452	2,232	
4th quarter ..	12,198	18,157		9,386	2,569	2,617	112	3,473	3,554	2,405	
Seasonally adjusted											
1971 1st quarter ..	10,718	15,431		7,873	2,310	2,299	114	2,835	2,819	1,894	
2nd quarter ..	10,860	15,656		8,014	2,334	2,332	—103	3,079	2,870	1,926	
3rd quarter ..	11,058	15,883		8,133	2,355	2,318	— 18	3,095	2,829	1,996	
4th quarter ..	11,061	15,972		8,234	2,367	2,320	—	3,051	2,874	2,037	
1972 1st quarter ..	10,941	16,059		8,346	2,420	2,369	—131	3,055	3,053	2,065	
2nd quarter ..	11,075	16,303		8,479	2,404	2,358	—100	3,162	3,091	2,137	
3rd quarter ..	11,062	16,169		8,607	2,443	2,346	— 83	2,856	3,007	2,100	
4th quarter ..	11,254	16,786		8,739	2,464	2,356	— 80	3,307	3,361	2,171	
1973 1st quarter ..	11,839	17,528		9,017	2,481	2,506	247	3,277	3,440	2,249	
2nd quarter ..	11,661	17,301		8,832	2,510	2,358	209	3,392	3,410	2,230	
3rd quarter ..	11,791	17,503		8,923	2,538	2,469	135	3,438	3,487	2,225	
4th quarter ..	11,634	17,455		8,923	2,566	2,505	92	3,369	3,566	2,255	

(1) Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* taxes on expenditure *plus* subsidies. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Tables 3 and 4.

(2) The current price estimates for the second quarter of 1973 include a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT; the rebate is also included as a deduction from taxes on expenditure and the estimate of gross domestic product at factor cost is thus not affected.

(3) This represents taxes on expenditure *less* subsidies valued at constant rates.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product	Net property income from abroad	Gross domestic product at factor cost	Factor incomes						less Stock appreciation	Residual error
				Total domestic income (1)	Income from employment (2)	Gross trading profits of companies (1)	Gross trading surplus of public corporations (1)	Gross profits of other public enterprises (1)	Income from rent and self-employment (1)		
1968	37,598	335	37,263	37,833	25,357	5,275	1,363	132	5,706	—564	— 6
1969	39,685	499	39,186	40,051	27,052	5,159	1,451	146	6,243	—733	—132
1970	43,350	515	42,835	43,994	30,204	5,200	1,435	152	7,003	—1,137	— 22
1971	48,810	516	48,294	48,725	33,364	5,761	1,509	185	7,906	—1,058	627
1972	54,315	476	53,839	54,948	37,251	6,666	1,645	178	9,208	—1,317	208
1973	62,842	763	62,079	64,539	42,559	8,632	2,034	183	11,131	—2,858	398
Unadjusted											
1971 1st quarter ..	11,014	159	10,855	11,555	7,922	1,336	379	51	1,867	—345	—355
2nd quarter ..	11,951	150	11,801	12,063	8,244	1,461	362	46	1,950	—390	128
3rd quarter ..	12,597	150	12,447	12,239	8,437	1,411	339	44	2,008	—184	392
4th quarter ..	13,248	57	13,191	12,868	8,761	1,553	429	44	2,081	—139	462
1972 1st quarter ..	12,456	134	12,322	12,662	8,721	1,410	366	53	2,112	—250	— 90
2nd quarter ..	13,361	127	13,234	13,512	9,195	1,656	380	45	2,236	—274	— 4
3rd quarter ..	13,633	133	13,500	13,726	9,376	1,619	376	31	2,324	—357	131
4th quarter ..	14,865	82	14,783	15,048	9,959	1,981	523	49	2,536	—436	171
1973 1st quarter ..	14,665	160	14,505	15,051	10,016	1,915	518	32	2,570	—392	—154
2nd quarter ..	15,373	201	15,172	16,005	10,516	2,258	477	46	2,708	—652	—181
3rd quarter ..	15,963	234	15,729	16,165	10,727	2,094	435	52	2,857	—858	422
4th quarter ..	16,841	168	16,673	17,318	11,300	2,365	604	53	2,996	—956	311
Seasonally adjusted											
1971 1st quarter ..	11,477	133	11,344	11,690	8,012	1,418	321	51	1,888	—345	— 1
2nd quarter ..	11,931	131	11,800	12,026	8,239	1,406	385	46	1,950	—390	164
3rd quarter ..	12,613	134	12,479	12,423	8,477	1,473	421	44	2,008	—184	240
4th quarter ..	12,789	118	12,671	12,586	8,636	1,464	382	44	2,060	—139	224
1972 1st quarter ..	12,983	115	12,868	12,824	8,826	1,506	303	53	2,136	—250	294
2nd quarter ..	13,322	111	13,211	13,471	9,180	1,595	414	45	2,237	—274	14
3rd quarter ..	13,684	110	13,574	13,923	9,421	1,695	453	31	2,323	—357	8
4th quarter ..	14,326	140	14,186	14,730	9,824	1,870	475	49	2,512	—436	—108
1973 1st quarter ..	15,436	145	15,291	15,280	10,141	2,045	462	32	2,600	—392	403
2nd quarter ..	15,405	181	15,224	15,934	10,501	2,171	508	46	2,708	—652	— 58
3rd quarter ..	15,940	207	15,733	16,384	10,772	2,190	514	52	2,856	—858	207
4th quarter ..	16,061	230	15,831	16,941	11,145	2,226	550	53	2,967	—956	—154

(1) Before providing for depreciation and stock appreciation.
(2) Wages and salaries, Forces' pay and employers' contributions.

Index numbers of output at constant factor cost

TABLE 3

1970=100

	Gross domestic product (1)	Agriculture, forestry and fishing	Industrial production					Transport and communication	Distributive trades	Other services
			Total (2)	Mining and quarrying (2)	Manufacturing (2)	Construction	Gas, electricity and water (2)			
1970 weights	*1000*	*30*	*439*	*16*	*327*	*64*	*32*	*84*	*104*	*343*
1968	96·5	94	97·1	111·4	95·7	103·4	91·6	93	98	96
1969	98·3	95	99·7	104·9	99·4	102·0	96·2	96	98	97
1970	100·0	100	100·0	100·0	100·0	100·0	100·0	100	100	100
1971	101·2	106	100·3	99·7	99·5	102·9	103·9	101	101	102
1972	104·5	108	102·4	84·0	101·9	105·2	111·2	106	106	106
1973	109·5	111	109·7	93·5	110·1	107·5	118·1	111	112	108
Seasonally adjusted										
1971 1st quarter	99·8	102	99·9	102·4	99·7	100·8	99·2	97	99	100
2nd quarter	101·2	104	100·7	102·9	100·2	102·1	102·5	100	100	102
3rd quarter	101·7	108	100·4	101·4	99·3	103·2	105·8	101	101	103
4th quarter	102·3	109	100·2	92·0	98·8	105·3	108·0	103	102	104
1972 1st quarter	101·7	108	98·2	45·6	98·6	106·9	103·1	103	103	105
2nd quarter	104·5	108	102·7	95·7	101·2	107·6	111·7	107	105	106
3rd quarter	104·8	108	102·9	95·0	102·3	101·6	115·2	107	107	106
4th quarter	106·8	109	105·8	99·7	105·4	104·5	114·7	109	109	107
1973 1st quarter	109·7	109	110·2	99·6	110·4	110·1	114·0	110	113	108
2nd quarter	108·9	109	109·3	95·6	109·4	108·3	117·9	111	110	107
3rd quarter	110·0	112	110·3	94·1	110·7	107·6	119·4	112	113	108
4th quarter	109·5	113	108·8	84·7	109·7	104·2	121·3	111	113	109

(1) Alternative estimates of the gross domestic product are given in Table 4.
(2) Monthly figures and figures for individual manufacturing industries are given in Table 50 of the *Monthly Digest of Statistics*.

Gross domestic product at factor cost (1)

TABLE 4

1970=100

	At current prices		At 1970 prices			
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data(2)	Based on output data	Average estimate
1968	87·0	87·0	97·1	97·1	96·5	96·9
1969	91·5	91·7	98·5	98·8	98·3	98·5
1970	100·0	100·0	100·0	100·0	100·0	100·0
1971	112·7	111·2	102·0	100·6	101·2	101·3
1972	125·7	125·1	103·5	103·0	104·5	103·7
1973	144·9	143·9	109·6	108·8	109·5	109·3
Seasonally adjusted						
1971 1st quarter	105·9	105·9	100·1	100·0	99·8	100·0
2nd quarter	110·2	108·6	101·4	99·9	101·2	100·9
3rd quarter	116·5	114·2	103·3	101·2	101·7	102·1
4th quarter	118·3	116·2	103·3	101·4	102·3	102·3
1972 1st quarter	120·2	117·4	102·2	99·8	101·7	101·2
2nd quarter	123·4	123·2	103·4	103·3	104·5	103·8
3rd quarter	126·8	126·6	103·3	103·2	104·8	103·8
4th quarter	132·5	133·4	105·1	105·9	106·8	105·9
1973 1st quarter	142·8	139·0	110·6	107·6	109·7	109·3
2nd quarter	142·2	142·6	108·9	109·3	108·9	109·0
3rd quarter	146·9	144·9	110·1	108·6	110·0	109·6
4th quarter	147·8	149·2	108·6	109·7	109·5	109·3

(1) These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
(2) Income data deflated by the price index implied by estimates based on expenditure data.

Personal income, expenditure and saving

TABLE 5 — £ million

	Personal income before tax						Transfers abroad (net) and taxes paid abroad	UK taxes on income (payments) (6)	National insurance, etc. contributions	Total personal disposable income (7) (8)	Consumers' expenditure	Balance: personal saving (8) (9)		Personal disposable income at 1970 prices(10)
	Total (1)	Wages and salaries	Forces' pay	Employers' contributions (2)	Current grants from public authorities(3)	Other personal income (4) (5)								
1968..	36,431	22,515	542	2,300	3,679	7,395	77	4,533	2,165	29,656	27,335	2,321	*7·8*	33,150
1969..	38,930	24,080	539	2,433	3,937	7,941	71	5,148	2,244	31,467	28,968	2,499	*7·9*	33,281
1970..	42,940	26,780	658	2,766	4,336	8,400	57	5,854	2,654	34,375	31,404	2,971	*8·6*	34,375
1971..	47,339	29,565	758	3,041	4,782	9,193	52	6,406	2,835	38,046	34,900	3,146	*8·3*	35,161
1972..	53,351	32,875	863	3,513	5,854	10,246	97	6,628	3,333	43,293	39,442	3,851	*8·9*	37,507
1973..	61,583	37,585	933	4,041	6,519	12,505	135	7,803	3,935	49,710	44,734	4,976	*10·0*	39,666
Unadjusted														
1971 1st quarter ..	11,248	7,050	167	705	1,119	2,207	6	1,662	636	8,944	7,806	1,138	*12·7*	8,534
2nd quarter ..	11,694	7,305	181	758	1,156	2,294	12	1,640	714	9,328	8,643	685	*7·3*	8,643
3rd quarter ..	11,982	7,475	195	767	1,177	2,368	12	1,603	711	9,656	8,956	700	*7·2*	8,831
4th quarter ..	12,415	7,735	215	811	1,330	2,324	22	1,501	774	10,118	9,495	623	*6·2*	9,153
1972 1st quarter ..	12,583	7,690	199	832	1,405	2,457	19	1,869	794	9,901	8,867	1,034	*10·4*	8,808
2nd quarter ..	13,243	8,125	208	862	1,434	2,614	22	1,606	824	10,791	9,689	1,102	*10·2*	9,456
3rd quarter ..	13,347	8,260	231	885	1,400	2,571	27	1,606	835	10,879	10,038	841	*7·7*	9,394
4th quarter ..	14,178	8,800	225	934	1,615	2,604	29	1,547	880	11,722	10,848	874	*7·5*	9,849
1973 1st quarter ..	14,575	8,815	223	978	1,593	2,966	30	1,994	944	11,607	10,315	1,292	*11·1*	9,558
2nd quarter ..	15,281	9,315	215	986	1,580	3,185	34	1,967	945	12,335	10,936	1,399	*11·3*	9,939
3rd quarter ..	15,563	9,455	258	1,014	1,554	3,282	31	1,959	994	12,579	11,363	1,216	*9·7*	9,958
4th quarter ..	16,164	10,000	237	1,063	1,792	3,072	40	1,883	1,052	13,189	12,120	1,069	*8·1*	10,211
Seasonally adjusted														
1971 1st quarter ..	11,304	7,140	167	705	1,091	2,201	6	1,570	636	9,092	8,248	844	*9·3*	8,678
2nd quarter ..	11,690	7,300	181	758	1,164	2,287	12	1,592	714	9,372	8,630	742	*7·9*	8,702
3rd quarter ..	11,993	7,515	195	767	1,198	2,318	12	1,604	711	9,666	8,920	746	*7·7*	8,812
4th quarter ..	12,352	7,610	215	811	1,329	2,387	22	1,640	774	9,916	9,102	814	*8·2*	8,969
1972 1st quarter ..	12,645	7,795	199	832	1,367	2,452	19	1,758	794	10,074	9,360	714	*7·1*	8,984
2nd quarter ..	13,225	8,110	208	862	1,433	2,612	22	1,552	824	10,827	9,673	1,154	*10·7*	9,492
3rd quarter ..	13,373	8,305	231	885	1,433	2,519	27	1,617	835	10,894	9,998	896	*8·2*	9,379
4th quarter ..	14,108	8,665	225	934	1,621	2,663	29	1,701	880	11,498	10,411	1,087	*9·5*	9,652
1973 1st quarter ..	14,640	8,940	223	978	1,556	2,943	30	1,842	944	11,824	10,932	892	*7·5*	9,755
2nd quarter ..	15,289	9,300	215	986	1,576	3,212	34	1,943	945	12,367	10,942	1,425	*11·5*	9,985
3rd quarter ..	15,566	9,500	258	1,014	1,582	3,212	31	1,970	994	12,571	11,296	1,275	*10·1*	9,933
4th quarter ..	16,088	9,845	237	1,063	1,805	3,138	40	2,048	1,052	12,948	11,564	1,384	*10·7*	9,993

(1) Before providing for depreciation and stock appreciation.
(2) Employers' contributions to national insurance, etc. and pension funds.
(3) National insurance benefits, family allowances, assistance grants, war pensions and service grants, etc.
(4) Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts and transfers to charities from companies.
(5) From the second quarter of 1973 includes tax credits on dividends.
(6) From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
(7) Equals total personal income before tax *less* taxes on income, national insurance, etc. contributions, and net transfers abroad.
(8) Before providing for depreciation, stock appreciation and additions to tax reserves.
(9) Personal saving as a percentage of personal disposable income is shown in italics.
(10) Personal disposable income revalued by the implied consumers' expenditure deflator (1970=100).

Appropriation account of companies

TABLE 6 — £ million

	Total	Income			Allocation of income				
		Income arising in the United Kingdom		Income from abroad	Dividends and interest, etc.		Profits due abroad (net of UK tax) and taxes paid abroad	United Kingdom taxes on income (payments) (3)	Balance: undistributed income(4)
		Gross trading profits (1)	Rent and non-trading income		Payments of dividends on ordinary shares(2)	Other			
1968	8,728	5,275	1,725	1,728	1,512	1,475	1,080	1,093	3,568
1969	9,127	5,159	1,916	2,052	1,624	1,719	1,128	1,168	3,488
1970	9,563	5,200	2,149	2,214	1,452	1,862	1,325	1,565	3,359
1971	10,778	5,761	2,467	2,550	1,563	1,987	1,705	1,572	3,951
1972	12,460	6,666	2,963	2,831	1,548	2,223	2,031	1,501	5,157
1973	16,730	8,632	4,124	3,974	1,646	3,240	2,696	1,735	7,413
Unadjusted									
1971 1st quarter ..	2,535	1,336	580	619	307	480	387	1,250	111
2nd quarter ..	2,727	1,461	591	675	494	503	440	126	1,164
3rd quarter ..	2,674	1,411	638	625	368	483	409	142	1,272
4th quarter ..	2,842	1,553	658	631	394	521	469	54	1,404
1972 1st quarter ..	2,743	1,410	670	663	346	484	470	1,282	161
2nd quarter ..	3,032	1,656	695	681	576	533	487	118	1,318
3rd quarter ..	3,085	1,619	777	689	353	558	487	119	1,568
4th quarter ..	3,600	1,981	821	798	273	648	587	— 18	2,110
1973 1st quarter ..	3,709	1,915	909	885	467	680	609	1,287	666
2nd quarter ..	4,129	2,258	942	929	623	761	611	57	2,077
3rd quarter ..	4,131	2,094	1,065	972	318	815	626	235	2,137
4th quarter ..	4,761	2,365	1,208	1,188	238	984	850	156	2,533
Seasonally adjusted									
1971 1st quarter ..	2,620	1,418	582	620	379	494	393	249	1,105
2nd quarter ..	2,656	1,406	602	648	384	493	430	544	805
3rd quarter ..	2,749	1,473	637	639	401	497	428	378	1,045
4th quarter ..	2,753	1,464	646	643	399	503	454	401	996
1972 1st quarter ..	2,841	1,506	673	662	430	499	476	328	1,108
2nd quarter ..	2,962	1,595	708	659	448	523	475	455	1,061
3rd quarter ..	3,176	1,695	774	707	387	572	510	365	1,342
4th quarter ..	3,481	1,870	808	803	283	629	570	353	1,646
1973 1st quarter ..	3,846	2,045	914	887	552	693	617	289	1,695
2nd quarter ..	4,028	2,171	961	896	512	753	595	376	1,792
3rd quarter ..	4,243	2,190	1,063	990	338	833	656	518	1,898
4th quarter ..	4,613	2,226	1,186	1,201	244	961	828	552	2,028

(1) Before providing for depreciation and stock appreciation.
(2) With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
(3) Payments of corporation tax (including advance corporation tax) *less* increases in balance of deductions of income tax, from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the fourth quarter of 1973 the amount of advance corporation tax included was £138 million.
(4) Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of public corporations

TABLE 7

£ million

	Total	Income			Allocation of income		
		Gross trading surplus (1)	Rent and non-trading income	Income from abroad	Interest payments	United Kingdom taxes on income (payments)(2)	Balance: undistributed income (3)
1968	1,498	1,363	122	13	636	17	845
1969	1,609	1,451	143	15	722	8	879
1970	1,616	1,435	166	15	781	8	827
1971	1,692	1,509	169	14	860	8	824
1972	1,856	1,645	195	16	911	8	937
1973	2,362	2,034	312	16	1,114	8	1,240
Unadjusted							
1971 1st quarter	425	379	42	4	242	8	175
2nd quarter	407	362	42	3	195	—	212
3rd quarter	385	339	42	4	222	—	163
4th quarter	475	429	43	3	201	—	274
1972 1st quarter	414	366	44	4	263	8	143
2nd quarter	430	380	46	4	184	—	246
3rd quarter	432	376	52	4	278	—	154
4th quarter	580	523	53	4	186	—	394
1973 1st quarter	587	518	65	4	335	8	244
2nd quarter	549	477	68	4	191	—	358
3rd quarter	524	435	85	4	354	—	170
4th quarter	702	604	94	4	234	—	468
Seasonally adjusted							
1971 1st quarter	367	321	42	4	210	2	155
2nd quarter	430	385	42	3	214	2	214
3rd quarter	467	421	42	4	219	2	246
4th quarter	428	382	43	3	217	2	209
1972 1st quarter	351	303	44	4	221	2	128
2nd quarter	464	414	46	4	226	2	236
3rd quarter	509	453	52	4	230	2	277
4th quarter	532	475	53	4	234	2	296
1973 1st quarter	531	462	65	4	254	2	275
2nd quarter	580	508	68	4	264	2	314
3rd quarter	603	514	85	4	284	2	317
4th quarter	648	550	94	4	312	2	334

(1) Before providing for depreciation and stock appreciation.
(2) Payments to Inland Revenue *less* amounts deducted from dividends and interest paid.
(3) Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Funds

TABLE 8 — **Receipts** — £ million

	Total	Gross trading surplus (1)	Rent, dividends and interest	Taxes on income (2)	Taxes on expenditure		National insurance contributions	National health contributions	Redundancy Fund contributions
					Selective employment tax	Other taxes			
1968	14,059	30	946	5,648	531	4,739	1,946	178	41
1969	15,825	40	1,089	6,330	766	5,356	2,005	186	53
1970	17,971	35	1,240	7,433	850	5,759	2,394	208	52
1971	19,026	42	1,436	7,992	665	6,056	2,547	236	52
1972	19,996	16	1,601	8,144	448	6,454	3,048	233	52
1973	21,955	— 3	1,744	9,153	132	6,994(3)	3,644	238	53
Unadjusted									
1971 1st quarter ..	5,563	16	370	2,967	197	1,377	568	56	12
2nd quarter ..	4,570	11	335	1,787	224	1,499	639	61	14
3rd quarter ..	4,430	8	367	1,697	134	1,513	638	60	13
4th quarter ..	4,463	7	364	1,541	110	1,667	702	59	13
1972 1st quarter ..	6,060	14	432	3,208	108	1,504	724	57	13
2nd quarter ..	4,661	5	367	1,737	112	1,616	752	59	13
3rd quarter ..	4,636	—10	427	1,684	114	1,586	764	58	13
4th quarter ..	4,639	7	375	1,515	114	1,748	808	59	13
1973 1st quarter ..	6,510	—12	489	3,331	114	1,644	872	59	13
2nd quarter ..	4,747	—	379	1,880	18	1,525(3)	873	59	13
3rd quarter ..	5,330	5	480	2,001	—	1,850	921	60	13
4th quarter ..	5,368	4	396	1,941	—	1,975	978	60	14
Seasonally adjusted									
1971 1st quarter ..	4,470	16	328	1,823	197	1,470	568	56	12
2nd quarter ..	4,948	11	354	2,139	224	1,506	639	61	14
3rd quarter ..	4,717	8	371	1,986	134	1,507	638	60	13
4th quarter ..	4,891	7	383	2,044	110	1,573	702	59	13
1972 1st quarter ..	5,009	14	394	2,090	108	1,609	724	57	13
2nd quarter ..	4,974	5	393	2,010	112	1,630	752	59	13
3rd quarter ..	4,907	—10	400	1,986	114	1,582	764	58	13
4th quarter ..	5,106	7	414	2,058	114	1,633	808	59	13
1973 1st quarter ..	5,376	—12	426	2,135	114	1,769	872	59	13
2nd quarter ..	5,101	—	431	2,173	18	1,534(3)	873	59	13
3rd quarter ..	5,602	5	426	2,341	—	1,836	921	60	13
4th quarter ..	5,876	4	461	2,504	—	1,855	978	60	14

(1) Before providing for depreciation and stock appreciation.
(2) Tax receipts *less* tax credits.
(3) See footnote (2) to Table 1.

Current account of central government including National Insurance Funds

TABLE 8 (*continued*) **Expenditure** £ million

	Total	Total current expenditure	Current expenditure on goods and services				Subsidies	National insurance benefits	Other current grants to personal sector	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus (1)
			Total	Military defence	National health service	Other							
1968	14,059	12,415	4,742	2,370	1,376	996	810	2,360	1,186	1,240	1,898	179	1,644
1969	15,825	12,943	4,854	2,255	1,493	1,106	744	2,429	1,360	1,280	2,099	177	2,882
1970	17,971	14,287	5,409	2,420	1,725	1,264	784	2,715	1,459	1,298	2,450	172	3,684
1971	19,026	16,036	6,142	2,712	1,949	1,481	842	2,924	1,686	1,384	2,858	200	2,990
1972	19,996	18,679	6,886	3,015	2,240	1,631	1,087	3,483	2,121	1,599	3,301	202	1,317
1973	21,955	21,314	7,663	3,359	2,496	1,808	1,363	3,863	2,201	1,798	4,104	322	641
Unadjusted													
1971 1st quarter	5,563	3,896	1,461	643	475	343	210	673	391	359	745	57	1,667
2nd quarter	4,570	3,846	1,493	653	482	358	204	690	414	277	723	45	724
3rd quarter	4,430	4,040	1,572	700	491	381	196	713	420	404	687	48	390
4th quarter	4,463	4,254	1,616	716	501	399	232	848	461	344	703	50	209
1972 1st quarter	6,060	4,733	1,723	730	559	434	328	886	455	440	837	64	1,327
2nd quarter	4,661	4,480	1,631	725	533	373	243	826	538	346	845	51	181
3rd quarter	4,636	4,579	1,725	764	557	404	269	826	520	413	780	46	57
4th quarter	4,639	4,887	1,807	796	591	420	247	945	608	400	839	41	—248
1973 1st quarter	6,510	5,200	1,884	807	607	470	265	945	516	469	1,033	88	1,310
2nd quarter	4,747	5,121	1,808	803	593	412	337	923	526	352	1,068	107	—374
3rd quarter	5,330	5,296	1,933	860	641	432	350	920	521	533	974	65	34
4th quarter	5,368	5,697	2,038	889	655	494	411	1,075	638	444	1,029	62	—329
Seasonally adjusted													
1971 1st quarter	4,470	3,819	1,434	642	463	329	214	660	389	318	761	43	651
2nd quarter	4,948	3,953	1,524	665	493	366	208	709	412	342	710	48	995
3rd quarter	4,717	4,034	1,576	698	493	385	201	722	433	355	692	55	683
4th quarter	4,891	4,230	1,608	707	500	401	219	833	452	369	695	54	661
1972 1st quarter	5,009	4,637	1,690	729	545	416	329	866	456	385	857	54	372
2nd quarter	4,974	4,611	1,665	737	546	382	248	846	534	434	831	53	363
3rd quarter	4,907	4,589	1,731	763	559	409	276	836	536	366	793	51	318
4th quarter	5,106	4,842	1,800	786	590	424	234	935	595	414	820	44	264
1973 1st quarter	5,376	5,120	1,851	806	593	452	268	925	517	414	1,062	83	256
2nd quarter	5,101	5,225	1,844	816	607	421	346	943	522	442	1,044	84	—124
3rd quarter	5,602	5,324	1,938	859	643	436	364	930	537	484	993	78	278
4th quarter	5,876	5,645	2,030	878	653	499	385	1,065	625	458	1,005	77	231

(1) Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 9

£ million

	Receipts						Expenditure							
				Rates				Current expenditure on goods and services						
	Total	Gross trading surplus (1)	Rent, dividends and interest	Cash receipts	Accruals adjustment(2)	Current grants from central government	Total current expenditure	Education	Other	Subsidies	Current grants to personal sector	Debt interest	Taxes on income (payments) (3)	Balance: current surplus (1)
1968..	4,411	102	863	1,570	— 22	1,898	4,009	1,428	1,557	100	133	791	—	402
1969..	4,877	106	1,005	1,662	5	2,099	4,435	1,562	1,672	123	148	930	—	442
1970..	5,528	117	1,137	1,842	— 18	2,450	5,033	1,777	1,909	117	162	1,068	—	495
1971..	6,300	143	1,212	2,120	— 33	2,858	5,593	2,032	2,179	106	172	1,104	—	707
1972..	7,163	162	1,323	2,442	— 65	3,301	6,369	2,400	2,471	84	250	1,164	—	794
1973..	8,472	186	1,533	2,538	111	4,104	7,530	2,769	2,822	81	455	1,403	—	942
Unadjusted														
1971 1st quarter ..	1,545	35	295	362	108	745	1,441	475	522	32	55	312	45	104
2nd quarter ..	1,593	35	301	594	— 60	723	1,372	493	549	30	52	228	20	221
3rd quarter ..	1,568	36	306	469	70	687	1,374	509	545	24	44	302	—50	194
4th quarter ..	1,594	37	310	695	—151	703	1,406	555	563	20	21	262	—15	188
1972 1st quarter ..	1,738	39	312	409	141	837	1,611	562	590	19	64	329	47	127
2nd quarter ..	1,817	40	327	741	—136	845	1,543	597	596	27	70	241	12	274
3rd quarter ..	1,765	41	335	479	130	780	1,573	603	628	26	54	305	—43	192
4th quarter ..	1,843	42	349	813	—200	839	1,642	638	657	12	62	289	—16	201
1973 1st quarter ..	2,058	44	363	412	206	1,033	1,902	654	678	11	132	387	40	156
2nd quarter ..	2,164	46	376	685	— 11	1,068	1,802	682	685	18	131	272	14	362
3rd quarter ..	2,088	47	390	589	88	974	1,891	699	715	22	113	395	—53	197
4th quarter ..	2,162	49	404	852	—172	1,029	1,935	734	744	30	79	349	— 1	227
Seasonally adjusted														
1971 1st quarter ..	1,561	35	295	470		761	1,316	470	521	30	42	253	—	245
2nd quarter ..	1,580	35	301	534		710	1,404	491	553	28	43	289	—	176
3rd quarter ..	1,573	36	306	539		692	1,399	517	544	24	43	271	—	174
4th quarter ..	1,586	37	310	544		695	1,474	554	561	24	44	291	—	112
1972 1st quarter ..	1,758	39	312	550		857	1,490	556	590	24	45	275	—	268
2nd quarter ..	1,803	40	327	605		831	1,561	595	600	22	53	291	—	242
3rd quarter ..	1,778	41	335	609		793	1,608	612	626	20	61	289	—	170
4th quarter ..	1,824	42	349	613		820	1,710	637	655	18	91	309	—	114
1973 1st quarter ..	2,087	44	363	618		1,062	1,778	646	677	18	114	323	—	309
2nd quarter ..	2,140	46	376	674		1,044	1,838	679	689	20	111	339	—	302
3rd quarter ..	2,107	47	390	677		993	1,917	711	713	21	115	357	—	190
4th quarter ..	2,138	49	404	680		1,005	1,997	733	743	22	115	384	—	141

(1) Before providing for depreciation and stock appreciation.
(2) Adjustment to accruals of rates for the quarter as included in taxes on expenditure and the adjustment to factor cost in Table 1.
(3) Payments to Inland Revenue less amounts deducted from interest paid.

Combined capital account

TABLE 10 — Receipts — £ million

	Total	Saving(1)					less Stock appreciation	Residual error
		Total	Personal sector	Companies	Public corporations	Central government	Local authorities		
1968	8,210	8,780	2,321	3,568	845	1,644	402	—564	— 6
1969	9,325	10,190	2,499	3,488	879	2,882	442	—733	—132
1970	10,177	11,336	2,971	3,359	827	3,684	495	—1,137	— 22
1971	11,187	11,618	3,146	3,951	824	2,990	707	—1,058	627
1972	10,947	12,056	3,851	5,157	937	1,317	794	—1,317	208
1973	12,752	15,212	4,976	7,413	1,240	641	942	—2,858	398
Unadjusted									
1971 1st quarter ..	2,495	3,195	1,138	111	175	1,667	104	—345	—355
2nd quarter ..	2,744	3,006	685	1,164	212	724	221	—390	128
3rd quarter ..	2,927	2,719	700	1,272	163	390	194	—184	392
4th quarter ..	3,021	2,698	623	1,404	274	209	188	—139	462
1972 1st quarter ..	2,452	2,792	1,034	161	143	1,327	127	—250	— 90
2nd quarter ..	2,843	3,121	1,102	1,318	246	181	274	—274	— 4
3rd quarter ..	2,586	2,812	841	1,568	154	57	192	—357	131
4th quarter ..	3,066	3,331	874	2,110	394	—248	201	—436	171
1973 1st quarter ..	3,122	3,668	1,292	666	244	1,310	156	—392	—154
2nd quarter ..	2,989	3,822	1,399	2,077	358	—374	362	—652	—181
3rd quarter ..	3,318	3,754	1,216	2,137	170	34	197	—858	422
4th quarter ..	3,323	3,968	1,069	2,533	468	—329	227	—956	311

Payments — £ million

	Total	Gross domestic fixed capital formation						Value of physical increase in stocks and work in progress	Balance: net investment and capital transfers abroad(2)
		Total	Personal sector	Companies	Public corporations	Central government	Local authorities		
1968	8,210	8,055	1,264	2,996	1,625	458	1,712	439	—284
1969	9,325	8,458	1,182	3,544	1,489	486	1,757	416	451
1970	10,177	9,223	1,219	3,905	1,650	576	1,873	257	697
1971	11,187	10,101	1,771	3,916	1,838	601	1,975	19	1,067
1972	10,947	11,297	2,452	4,266	1,743	642	2,194	—419	69
1973	12,752	13,617	2,634	5,470	1,986	770	2,757	603(3)	—1,468
Unadjusted									
1971 1st quarter ..	2,495	2,421	314	898	516	155	538	8	66
2nd quarter ..	2,744	2,411	455	974	407	140	435	— 15	348
3rd quarter ..	2,927	2,526	484	983	442	146	471	30	371
4th quarter ..	3,021	2,743	518	1,061	473	160	531	— 4	282
1972 1st quarter ..	2,452	2,744	533	951	509	172	579	—267	— 25
2nd quarter ..	2,843	2,689	666	992	402	145	484	— 26	180
3rd quarter ..	2,586	2,787	597	1,070	415	167	538	— 46	—155
4th quarter ..	3,066	3,077	656	1,253	417	158	593	— 80	69
1973 1st quarter ..	3,122	3,326	679	1,215	561	206	665	159	—363
2nd quarter ..	2,989	3,115	660	1,263	420	162	610	59(3)	—185
3rd quarter ..	3,318	3,388	680	1,327	477	195	709	256	—326
4th quarter ..	3,323	3,788	615	1,665	528	207	773	129	—594

(1) Before providing for depreciation, stock appreciation and additions to reserves.
(2) Equal to the current balance in the balance of payments accounts.
(3) See footnote (2) to Table 1.

TABLE 11 — **United Kingdom credits** — £ million

	Total credits	Exports and property income from abroad				Current transfers to personal sector
		Exports of goods(1)	Exports of services	Property income from abroad	United Kingdom taxes paid by non-residents	
1968	10,982	6,274	2,528	1,873	136	171
1969	12,407	7,063	2,793	2,198	172	181
1970	14,121	7,893	3,367	2,392	277	192
1971	15,871	8,796	3,842	2,761	270	202
1972	16,689	9,134	4,159	3,107	278	211
1973	21,274	11,435	5,023	4,265	329	222
Unadjusted						
1971 1st quarter	3,613	1,972	863	663	65	50
2nd quarter	4,104	2,308	951	726	69	50
3rd quarter	4,049	2,194	1,066	680	58	51
4th quarter	4,105	2,322	962	692	78	51
1972 1st quarter	3,959	2,170	943	731	63	52
2nd quarter	4,266	2,385	1,003	753	73	52
3rd quarter	3,917	1,902	1,140	760	62	53
4th quarter	4,747	2,677	1,073	863	80	54
1973 1st quarter	4,768	2,626	1,062	946	79	55
2nd quarter	5,177	2,854	1,191	996	81	55
3rd quarter	5,369	2,787	1,403	1,049	74	56
4th quarter	5,960	3,168	1,367	1,274	95	56
Seasonally adjusted						
1971 1st quarter	3,720	2,007	931	664	68	50
2nd quarter	4,032	2,260	959	696	67	50
3rd quarter	4,069	2,286	969	699	64	51
4th quarter	4,050	2,243	983	702	71	51
1972 1st quarter	4,048	2,177	1,020	733	66	52
2nd quarter	4,159	2,293	1,016	728	70	52
3rd quarter	3,991	2,052	1,041	777	68	53
4th quarter	4,691	2,612	1,082	869	74	54
1973 1st quarter	4,854	2,633	1,133	950	83	55
2nd quarter	5,106	2,794	1,216	961	80	55
3rd quarter	5,480	2,984	1,292	1,068	80	56
4th quarter	5,834	3,024	1,382	1,286	86	56

(1) On a balance of payments basis.

TABLE 11 (*continued*) **United Kingdom debits** £ million

	Total	Total debits	Imports and property income paid abroad				Current transfers		Balance: net investment and capital transfers abroad (3)
			Imports of goods (1)	Imports of services	Property income paid abroad	Foreign taxes paid by United Kingdom residents	From personal sector	From central government (2)	
1968	10,982	11,266	6,933	2,254	908	766	226	179	—284
1969	12,407	11,956	7,206	2,472	1,011	860	230	177	451
1970	14,121	13,424	7,902	2,970	1,150	1,004	226	172	697
1971	15,871	14,804	8,511	3,346	1,225	1,290	232	200	1,067
1972	16,889	16,820	9,811	3,612	1,409	1,500	286	202	69
1973	21,274	22,742	13,810	4,446	1,770	2,061	333	322	—1,468
Unadjusted									
1971 1st quarter ..	3,613	3,547	2,113	758	280	289	50	57	66
2nd quarter ..	4,104	3,756	2,176	833	313	332	57	45	348
3rd quarter ..	4,049	3,678	2,042	943	265	323	57	48	371
4th quarter ..	4,105	3,823	2,180	812	367	346	68	50	282
1972 1st quarter ..	3,959	3,984	2,379	816	309	351	65	64	— 25
2nd quarter ..	4,266	4,086	2,413	854	353	346	69	51	180
3rd quarter ..	3,917	4,072	2,233	1,030	318	371	74	46	—155
4th quarter ..	4,747	4,678	2,786	912	429	432	78	41	69
1973 1st quarter ..	4,768	5,131	3,156	943	412	453	79	88	—363
2nd quarter ..	5,177	5,362	3,235	1,061	428	448	83	107	—185
3rd quarter ..	5,369	5,695	3,381	1,279	402	487	81	65	—326
4th quarter ..	5,960	6,554	4,038	1,163	528	673	90	62	—594
Seasonally adjusted									
1971 1st quarter ..	3,720	3,573	2,059	822	310	289	50	43	147
2nd quarter ..	4,032	3,742	2,155	850	307	325	57	48	290
3rd quarter ..	4,069	3,688	2,114	833	297	332	57	55	381
4th quarter ..	4,050	3,801	2,183	841	311	344	68	54	249
1972 1st quarter ..	4,048	3,977	2,298	876	333	351	65	54	71
2nd quarter ..	4,159	4,047	2,357	881	348	339	69	53	112
3rd quarter ..	3,991	4,107	2,336	911	354	381	74	51	—116
4th quarter ..	4,691	4,689	2,820	944	374	429	78	44	2
1973 1st quarter ..	4,854	5,040	2,984	1,006	434	454	79	83	—186
2nd quarter ..	5,106	5,302	3,193	1,082	422	438	83	84	—196
3rd quarter ..	5,480	5,837	3,590	1,147	441	500	81	78	—357
4th quarter ..	5,834	6,563	4,043	1,211	473	669	90	77	—729

(1) On a balance of payments basis.
(2) From the beginning of 1973 net of receipts from the EEC.
(3) Equal to the current balance in the balance of payments accounts.

Consumers' expenditure

TABLE 12

£ million

	Total	Food (household expenditure)	Alcoholic drink: Beer	Alcoholic drink: Wines, spirits, etc.	Tobacco	Housing	Fuel and light	Clothing: Footwear	Clothing: Other	Durable goods: Total	Durable goods: Cars and motor cycles	Durable goods: Furniture and floor coverings	Durable goods: Radio and electrical goods, etc.	Other goods	Other services
At current prices															
1968 ..	27,335	5,655	1,067	803	1,578	3,429	1,340	393	1,944	2,113	876	644	593	4,083	4,930
1969 ..	28,968	5,970	1,201	828	1,694	3,760	1,429	410	2,037	2,034	800	641	593	4,384	5,221
1970 ..	31,404	6,365	1,355	956	1,720	4,133	1,495	449	2,217	2,322	969	683	670	4,764	5,628
1971 ..	34,900	6,961	1,526	1,089	1,691	4,644	1,617	483	2,390	2,943	1,384	769	790	5,305	6,251
1972 ..	39,442	7,453	1,650	1,298	1,808	5,298	1,796	547	2,732	3,616	1,747	894	975	6,040	7,204
1973 ..	44,734	8,460	1,816	1,699	1,941	6,093	1,884	622	3,152	4,044	1,918	1,013	1,113	6,854	8,169
1971 1st qtr.	7,806	1,637	325	171	383	1,089	484	91	473	666	324	167	175	1,160	1,327
2nd qtr.	8,643	1,726	385	235	437	1,188	391	121	587	715	373	177	165	1,282	1,576
3rd qtr.	8,956	1,752	422	261	442	1,185	299	117	563	787	390	194	203	1,376	1,752
4th qtr.	9,495	1,846	394	422	429	1,182	443	154	767	775	297	231	247	1,487	1,596
1972 1st qtr.	8,867	1,814	350	209	413	1,213	527	106	540	824	412	195	217	1,312	1,559
2nd qtr.	9,689	1,809	419	286	469	1,333	435	131	639	922	508	205	209	1,450	1,796
3rd qtr.	10,038	1,840	447	309	467	1,322	349	135	660	922	455	223	244	1,565	2,022
4th qtr.	10,848	1,990	434	494	459	1,430	485	175	893	948	372	271	305	1,713	1,827
1973 1st qtr.	10,315	2,001	365	266	435	1,462	580	134	668	1,095	565	263	267	1,525	1,784
2nd qtr.	10,936	2,055	455	379	507	1,551	444	149	731	982	533	217	232	1,635	2,048
3rd qtr.	11,363	2,103	520	401	504	1,536	339	150	733	1,008	494	243	271	1,767	2,302
4th qtr.	12,120	2,301	476	653	495	1,544	521	189	1,020	959	326	290	343	1,927	2,035
Revalued at 1970 prices															
1968 ..	30,556	6,260	1,235	884	1,744	3,934	1,432	425	2,130	2,337	959	729	649	4,620	5,555
1969 ..	30,638	6,264	1,309	849	1,723	4,059	1,484	432	2,145	2,168	855	692	621	4,648	5,557
1970 ..	31,404	6,365	1,355	956	1,720	4,133	1,495	449	2,217	2,322	969	683	670	4,764	5,628
1971 ..	32,254	6,359	1,419	1,053	1,658	4,207	1,482	454	2,230	2,730	1,281	704	745	4,928	5,734
1972 ..	34,171	6,333	1,454	1,207	1,748	4,272	1,535	470	2,386	3,248	1,559	774	915	5,356	6,162
1973 ..	35,695	6,374	1,566	1,512	1,856	4,316	1,565	487	2,513	3,466	1,609	785	1,072	5,739	6,301
Unadjusted															
1971 1st qtr.	7,452	1,566	308	167	375	1,039	464	88	453	630	306	157	167	1,102	1,260
2nd qtr.	8,013	1,586	356	228	428	1,075	361	114	553	661	345	162	154	1,192	1,459
3rd qtr.	8,195	1,574	390	251	435	1,058	267	109	524	725	358	176	191	1,267	1,595
4th qtr.	8,594	1,633	365	407	420	1,035	390	143	700	714	272	209	233	1,367	1,420
1972 1st qtr.	7,891	1,587	317	201	402	1,053	462	95	485	755	377	174	204	1,183	1,351
2nd qtr.	8,493	1,570	371	269	455	1,093	371	115	564	831	453	180	198	1,298	1,556
3rd qtr.	8,670	1,547	391	284	451	1,073	296	114	576	827	405	193	229	1,382	1,729
4th qtr.	9,117	1,629	375	453	440	1,053	406	146	761	835	324	227	284	1,493	1,526
1973 1st qtr.	8,497	1,589	316	240	415	1,073	488	110	560	954	484	218	252	1,312	1,440
2nd qtr.	8,814	1,579	392	337	486	1,103	373	119	596	850	449	173	228	1,386	1,593
3rd qtr.	8,998	1,568	447	355	483	1,085	285	116	580	859	412	183	264	1,472	1,748
4th qtr.	9,386	1,638	411	580	472	1,055	419	142	777	803	264	211	328	1,569	1,520
Seasonally adjusted															
1971 1st qtr.	7,873	1,590	355	248	407	1,048	359	112	541	608	268	167	173	1,204	1,401
2nd qtr.	8,014	1,594	354	260	412	1,049	380	114	567	635	288	173	174	1,212	1,437
3rd qtr.	8,133	1,594	352	270	419	1,055	365	113	555	741	363	180	198	1,240	1,429
4th qtr.	8,234	1,581	358	275	420	1,055	378	115	567	746	362	184	200	1,272	1,467
1972 1st qtr.	8,346	1,611	365	298	437	1,062	352	119	578	720	324	186	210	1,297	1,507
2nd qtr.	8,479	1,578	369	302	437	1,067	387	115	577	796	381	192	223	1,318	1,533
3rd qtr.	8,607	1,567	353	302	434	1,070	403	119	613	850	417	196	237	1,353	1,543
4th qtr.	8,739	1,577	367	305	440	1,073	393	117	618	882	437	200	245	1,388	1,579
1973 1st qtr.	9,017	1,613	365	358	452	1,082	377	136	661	926	438	229	259	1,440	1,607
2nd qtr.	8,832	1,586	391	383	466	1,079	391	118	609	826	384	185	257	1,415	1,568
3rd qtr.	8,923	1,587	405	381	464	1,082	390	119	616	885	427	185	273	1,439	1,555
4th qtr.	8,923	1,588	405	390	474	1,073	407	114	627	829	360	186	283	1,445	1,571

Gross domestic fixed capital formation

Analysis by sector and by type of asset

TABLE 13

£ million

	Total	Private sector (1)	Public sector(1)		Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new buildings and works(2)
			Public authorities	Public corporations			Private	Public	
At current prices									
1968	8,055	4,260	2,170	1,625	791	2,992	766	818	2,688
1969	8,458	4,726	2,243	1,489	879	3,169	712	838	2,860
1970	9,223	5,124	2,449	1,650	969	3,589	702	801	3,162
1971	10,101	5,687	2,576	1,838	1,080	3,797	923	806	3,495
1972	11,297	6,718	2,836	1,743	1,304	3,931	1,275	818	3,969
1973	13,617	8,104	3,527	1,986	1,519	4,724	1,679	999	4,696
1971 1st quarter ..	2,421	1,212	693	516	251	951	192	196	831
2nd quarter ..	2,411	1,429	575	407	292	878	227	199	815
3rd quarter ..	2,526	1,467	617	442	260	948	243	201	874
4th quarter ..	2,743	1,579	691	473	277	1,020	261	210	975
1972 1st quarter ..	2,744	1,484	751	509	309	1,001	282	207	945
2nd quarter ..	2,689	1,658	629	402	333	914	307	195	940
3rd quarter ..	2,787	1,667	705	415	299	956	323	202	1,007
4th quarter ..	3,077	1,909	751	417	363	1,060	363	214	1,077
1973 1st quarter ..	3,326	1,894	871	561	364	1,193	376	234	1,159
2nd quarter ..	3,115	1,923	772	420	336	1,043	437	223	1,076
3rd quarter ..	3,388	2,007	904	477	304	1,189	450	268	1,177
4th quarter ..	3,788	2,280	980	528	515	1,299	416	274	1,284
Revalued at 1970 prices									
1968	8,951	4,727	2,397	1,827	900	3,365	846	894	2,946
1969	9,042	5,043	2,389	1,610	934	3,424	758	890	3,036
1970	9,223	5,124	2,449	1,650	969	3,589	702	801	3,162
1971	9,269	5,200	2,393	1,676	990	3,463	831	750	3,235
1972	9,429	5,578	2,391	1,460	1,115	3,366	981	688	3,279
1973	9,838	5,876	2,483	1,479	1,188	3,771	1,054	684	3,141
Unadjusted									
1971 1st quarter ..	2,320	1,160	672	488	237	900	185	191	807
2nd quarter ..	2,252	1,329	544	379	274	811	208	189	770
3rd quarter ..	2,277	1,322	560	395	234	852	215	183	793
4th quarter ..	2,420	1,389	617	414	245	900	223	187	865
1972 1st quarter ..	2,383	1,283	660	440	273	876	233	182	819
2nd quarter ..	2,288	1,403	544	341	288	790	244	168	798
3rd quarter ..	2,297	1,366	587	344	253	814	245	168	817
4th quarter ..	2,461	1,526	600	335	301	886	259	170	845
1973 1st quarter ..	2,515	1,435	647	433	294	970	254	170	827
2nd quarter ..	2,285	1,411	555	319	267	842	282	157	737
3rd quarter ..	2,421	1,438	630	353	239	949	274	182	777
4th quarter ..	2,617	1,592	651	374	388	1,010	244	175	800
Seasonally adjusted									
1971 1st quarter ..	2,299	1,220	648	431	242	861	192	193	811
2nd quarter ..	2,332	1,331	586	415	262	870	202	195	803
3rd quarter ..	2,318	1,337	565	416	253	874	210	182	799
4th quarter ..	2,320	1,312	594	414	233	858	227	180	822
1972 1st quarter ..	2,369	1,344	635	390	282	839	241	185	822
2nd quarter ..	2,358	1,396	586	376	272	846	237	173	830
3rd quarter ..	2,346	1,389	595	362	277	837	239	167	826
4th quarter ..	2,356	1,449	575	332	284	844	264	163	801
1973 1st quarter ..	2,506	1,499	624	383	311	928	263	173	831
2nd quarter ..	2,358	1,412	593	353	254	902	275	161	766
3rd quarter ..	2,469	1,462	639	368	261	973	268	181	786
4th quarter ..	2,505	1,503	627	375	362	968	248	169	758

(1) Including purchases less sales of land and existing buildings.

(2) Including transfer costs of land and buildings.

Gross domestic fixed capital formation

TABLE 14 — Analysis by industry group — £ million

	Total	Mining and quarrying	Manufacturing (1)	Gas, electricity and water	Transport and communication	Distributive trades (1)	Other industries(2)	Dwellings	Public services	Transfer costs of land and buildings
At current prices										
1968	8,055	126	1,591	901	944	406	1,075	1,584	1,193	235
1969	8,458	121	1,870	797	1,023	429	1,178	1,550	1,249	241
1970	9,223	136	2,129	783	1,180	475	1,296	1,503	1,447	274
1971	10,101	172	2,161	794	1,318	534	1,451	1,729	1,619	323
1972	11,297	210	2,092	723	1,497	624	1,701	2,093	1,904	453
1973	13,617	379	2,449	768	1,800	727	2,010	2,678	2,255	551
1971 1st quarter	2,421	46	516	228	313	124	346	388	399	61
2nd quarter	2,411	39	514	171	343	130	343	426	368	77
3rd quarter	2,526	43	553	190	313	133	364	444	398	88
4th quarter	2,743	44	578	205	349	147	398	471	454	97
1972 1st quarter	2,744	48	521	204	361	139	402	489	485	95
2nd quarter	2,689	48	490	162	379	145	420	502	431	112
3rd quarter	2,787	52	514	175	352	151	415	525	481	122
4th quarter	3,077	62	567	182	405	189	464	577	507	124
1973 1st quarter	3,326	78	568	228	452	173	493	610	590	134
2nd quarter	3,115	88	538	178	380	176	469	660	490	136
3rd quarter	3,388	99	632	180	378	179	493	718	566	143
4th quarter	3,788	114	711	182	590	199	555	690	609	138
Revalued at 1970 prices										
1968	8,951	140	1,798	1,022	1,063	447	1,173	1,740	1,302	266
1969	9,042	130	2,024	869	1,091	455	1,246	1,648	1,324	255
1970	9,223	136	2,129	783	1,180	475	1,296	1,503	1,447	274
1971	9,269	155	1,968	721	1,214	495	1,346	1,581	1,506	283
1972	9,429	171	1,775	608	1,268	547	1,462	1,669	1,613	316
1973	9,838	289	1,887	577	1,363	589	1,517	1,738	1,585	293
Unadjusted										
1971 1st quarter	2,320	43	491	215	298	119	334	376	387	57
2nd quarter	2,252	35	475	157	324	122	323	397	349	70
3rd quarter	2,277	38	494	170	285	121	332	398	363	76
4th quarter	2,420	39	508	179	307	133	357	410	407	80
1972 1st quarter	2,383	40	454	178	315	125	356	415	428	72
2nd quarter	2,288	40	421	138	327	128	365	412	374	83
3rd quarter	2,297	42	432	145	295	132	354	413	402	82
4th quarter	2,461	49	468	147	331	162	387	429	409	79
1973 1st quarter	2,515	61	452	177	355	142	386	424	440	78
2nd quarter	2,285	67	423	136	295	143	357	439	351	74
3rd quarter	2,421	76	485	135	284	147	371	456	394	73
4th quarter	2,617	85	527	129	429	157	403	419	400	68
Seasonally adjusted										
1971 1st quarter	2,299	39	511	186	291	121	332	385	371	63
2nd quarter	2,332	38	498	180	321	126	325	397	377	70
3rd quarter	2,318	39	491	178	308	124	346	392	367	73
4th quarter	2,320	39	468	177	294	124	343	407	391	77
1972 1st quarter	2,369	37	466	150	320	127	356	426	407	80
2nd quarter	2,358	42	447	157	318	132	366	410	404	82
3rd quarter	2,346	43	430	156	321	136	367	406	409	78
4th quarter	2,356	49	432	145	309	152	373	427	393	76
1973 1st quarter	2,506	57	465	153	360	144	386	436	419	86
2nd quarter	2,358	70	448	156	290	147	359	436	380	72
3rd quarter	2,469	77	485	141	312	150	384	449	401	70
4th quarter	2,505	85	489	127	401	148	388	417	385	65

(1) Further details are given in the *Monthly Digest of Statistics*.
(2) Covers agriculture, forestry, fishing, construction and other service industries.

Value of physical increase in stocks and work in progress

TABLE 15 — £ million

	At current prices					Revalued at 1970 prices									
							Unadjusted					Seasonally adjusted			
	Total	Manufacturing (1)	Distributive trades: Retail	Distributive trades: Wholesale	Other industries	Total	Manufacturing	Distributive trades: Retail	Distributive trades: Wholesale	Other industries	Total	Manufacturing (1)	Distributive trades: Retail	Distributive trades: Wholesale	Other industries
Book value of stocks and work in progress at end-December 1973	22,583	13,151	2,203	2,435	4,794	16,981	9,692	1,869	1,749	3,671	16,981	9,692	1,869	1,749	3,671
1968 ..	439	234	52	78	75	471	269	60	85	57	471	269	60	85	57
1969 ..	416	303	12	36	65	419	320	13	42	44	419	320	13	42	44
1970 ..	257	175	—38	68	52	257	175	—38	68	52	257	175	—38	68	52
1971 ..	19	—240	24	54	181	— 7	—218	21	52	138	— 7	—218	21	52	138
1972 ..	—419	—554	24	34	77	—394	—498	22	28	54	—394	—498	22	28	54
1973 ..	603(2)	553	72	— 6	—16	683	432	227	34	—10	683	432	227	34	—10
1971 1st qtr.	8	— 5	—14	—19	46	15	— 1	—13	—16	45	114	10	—22	14	112
2nd qtr.	— 15	—103	12	25	51	— 36	— 93	11	22	24	—103	—113	7	26	—23
3rd qtr.	30	—106	— 2	60	78	15	—101	— 2	56	62	— 18	— 68	15	9	26
4th qtr.	— 4	— 26	28	—12	6	— 1	— 23	25	—10	7	—	— 47	21	3	23
1972 1st qtr.	—267	—178	— 2	—22	—65	—232	—165	— 2	—17	—48	—131	—156	— 9	15	19
2nd qtr.	— 26	—159	49	—16	100	— 37	—130	44	—14	63	—100	—145	40	—12	17
3rd qtr.	— 46	—178	—30	61	101	— 51	—159	—26	50	84	— 83	—125	— 8	4	46
4th qtr.	— 80	— 39	7	11	—59	— 74	— 44	6	9	—45	— 80	— 72	— 1	21	—28
1973 1st qtr.	159	182	43	—28	—38	98	126	37	—16	—49	247	168	31	18	30
2nd qtr.	59(2)	98	— 7	—66	34	289	103	159	—18	45	209	87	154	—16	—16
3rd qtr.	256	80	3	89	84	184	55	3	67	59	135	79	22	18	16
4th qtr.	129	193	33	— 1	—96	112	148	28	1	—65	92	98	20	14	—40

(1) Further details are given in the *Monthly Digest of Statistics*.

(2) The second quarter of 1973 includes a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT. The rebate has been allocated at current prices as follows:

	£ million
Manufacturers	34
Wholesalers	36
Retailers	181
Other industries	29

This allocation is to some extent arbitrary, and therefore, should be regarded as approximate.

Employment in the public and private sectors of the United Kingdom economy

Statistics of employment in the public and private sectors of the economy were last published in an article in the June 1972 issue of *Economic Trends*, which gave figures for 1969, 1970 and 1971. The present article shows figures for 1971 and 1972.

Since the last article was published the Department of Employment has introduced a new series of annual employment statistics based on censuses of employment. This has replaced the previous annual series which was based on detailed counts of national insurance cards. Censuses of employment have been held for June 1971 and 1972. The last detailed count of national insurance cards was for June 1971. A detailed description of the new system was published in the January 1973 issue of the *Department of Employment Gazette* and a comparison of estimates produced for June 1971 by the two systems is given in the August 1973 issue. Since, for a number of reasons, there are differences between estimates derived on the two bases, the analysis of employment for 1971 in this article shows figures on both the old and new bases to provide a link with estimates previously published for earlier years.

The estimates of employment by the public sector are derived from the central records of the organisations concerned, and there are some differences from the Department of Employment figures (on either basis) in the allocation of employees in employment by industry. The figures for the private sector are obtained as the difference between the Department of Employment totals and the estimates of public sector employment.

The total employed labour force was at the same level at mid-1971 and mid-1972. Within the total there was a fall of 280,000 in manufacturing employment (mainly in a wide range of private sector industries), and an increase of 310,000 in the 'other services' industry, of which 170,000 was in the private sector and 140,000 in the public sector. Of the 140,000 rise in the public sector, 50,000 represented increases in the staff of local authority education departments, 20,000 increases in local health and welfare departments, and 30,000 increases in other local authority departments. There was also a 35,000 increase in the staff of national health service hospitals. Other changes in the public sector were decreases of 20,000 each in the nationalised gas and electricity, and transport industries.

The fall of private sector employment in manufacturing industry was spread over almost all of the Orders of the Standard Industrial Classification. Among the larger decreases were 80,000 in mechanical engineering, and 30,000 each in the vehicle production industry and in textile manufacturing.

Central Statistical Office

Employment by sector and by industry groups(1)

United Kingdom — Thousands

	Total	Public sector				Private sector
		Central government	Local authorities	Public corporations	Total	
NATIONAL INSURANCE CARD COUNT BASIS						
At June 1971						
Total employed labour force	24,744	1,929	2,583	1,890	6,402	18,342
HM Forces and Women's services	368	368	—	—	368	—
Employers and self-employed	1,867	—	—	—	—	1,867
Total employees in employment	22,509	1,561	2,583	1,890	6,034	16,475
Agriculture, forestry and fishing	353	12	—	—	12	341
Mining and quarrying	404	—	—	346	346	58
Manufacturing	8,612	76	1	289	366	8,246
Construction(2)	1,291	25	127	10	162	1,129
Gas, electricity and water	377	—	43	330	373	4
Transport and communication	1,587	6	169	861	1,036	551
Other services	9,885	1,442	2,243	54	3,739	6,146
CENSUS OF EMPLOYMENT BASIS						
At June 1971						
Total employed labour force	24,356	1,929	2,583	1,890	6,402	17,954
HM Forces and Women's services	368	368	—	—	368	—
Employers and self-employed	1,867	—	—	—	—	1,867
Total employees in employment	22,121	1,561	2,583	1,890	6,034	16,087
Agriculture, forestry and fishing	432	12	—	—	12	420
Mining and quarrying	396	—	—	346	346	50
Manufacturing	8,056	76	1	289	366	7,690
Construction(2)	1,262	25	127	10	162	1,100
Gas, electricity and water	377	—	43	330	373	4
Transport and communication	1,568	6	169	861	1,036	532
Other services	10,030	1,442	2,243	54	3,739	6,291
At June 1972						
Total employed labour force	24,352	1,956	2,680	1,809	6,445	17,907
HM Forces and Women's services	371	371	—	—	371	—
Employers and self-employed	1,863	—	—	—	—	1,863
Total employees in employment	22,118	1,585	2,680	1,809	6,074	16,044
Agriculture, forestry and fishing	427	11	—	—	11	416
Mining and quarrying	379	—	—	330	330	49
Manufacturing	7,778	68	1	269	338	7,440
Construction(2)	1,300	22	131	11	164	1,136
Gas, electricity and water	356	—	43	309	352	4
Transport and communication	1,543	7	160	836	1,003	540
Other services	10,335	1,477	2,345	54	3,876	6,459

(1) Industries are classified according to the *Standard Industrial Classification 1968*.

(2) The figures for 'construction' are consistent with data published by the Department of Employment in their industrial analyses of employment (see Table 15 of the *Monthly Digest of Statistics*, or Table 103 of the *Department of Employment Gazette*). They differ however from the estimates of construction employees in employment published by the Department of the Environment (see Table 12 of *Housing and Construction Statistics*). The latter estimates include construction workers in building and civil engineering branches of public authorities whose main activities are classifiable to other industries (for example, national and local government service or transport) under the Standard Industrial Classification.

A cyclical analysis of new orders and deliveries in the United Kingdom engineering industries, 1958—1971

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Introduction

This article describes a study of the cyclical variation of the new orders and deliveries of several of the United Kingdom engineering industries at Minimum List Heading (MLH) level during the period 1958 to 1971. Simple measures of cyclical variation are developed and applied to the available data on net new orders and deliveries, the nature of which is discussed. The results indicate that new orders display a more marked cyclical pattern than deliveries and that total new orders and deliveries have a less marked cyclical pattern than those relating to the home market alone. There is also a brief analysis of the timing of the home market cycles of the different industries analysed. Two appendices explain why it was not possible to apply the analysis to all the engineering industries at the required level of disaggregation, and how the analysed data relates to other series on engineering orders and deliveries that are or have been published.

The engineering industry cycle

Much of the output of many of the separate MLH industries, within Orders VII to IX of the 1968 Standard Industrial Classification (SIC), is in the form of goods which when sold in the home market are classified as 'fixed capital formation' in the expenditure categorisation of gross domestic product. Table B of the input-output tables for 1968, for instance, shows that 37 per cent of the total output sales and 48 per cent of the total final output sales of commodity groups 30 to 45 (corresponding to SIC Orders VII to IX) went directly into gross domestic fixed capital formation. These percentages compare with 4 and 7 per cent respectively for the rest of manufacturing industry. All of the final sales of the engineering industries which are classified as 'fixed capital formation' take the form of plant and machinery, as opposed to new building work or vehicles. Gross fixed capital formation on plant and machinery (and by manufacturing industry in particular) displays a greater cyclical variation than most other expenditure components of gross domestic product. This is illustrated by Table A which presents the results of applying a method of analysis, described later in the article, to quarterly constant price series for nine selected expenditure aggregates(1). The higher the statistic quoted (the standard deviation of the percentage deviations of trend-cycle from trend) the more marked is the cyclical variation in the series. It appears that one characteristic of the engineering industries is that the nature of their product makes them particularly subject to any cyclical variations in the economy.

Cyclical variation of selected expenditure components of gross domestic product, expressed at constant 1970 prices, 1958 2nd quarter to 1971 4th quarter

TABLE A

Expenditure aggregate	Standard deviation of percentage deviations of trend-cycle from trend
Gross domestic product at factor cost ..	1·7
Consumers expenditure	1·6
Public authorities current expenditure ..	1·9
Gross domestic fixed capital formation ..	4·6
Exports of goods and services	3·9
Imports of goods and services	2·6
Consumers expenditure on durable goods..	8·5
Gross domestic fixed capital formation:	
On plant and machinery	5·2
By manufacturing industry	7·5
By manufacturing industry on plant and machinery	7·1

Before discussing the problems associated with the measurement of cyclical variation it is helpful to distinguish four conceptually measurable series relating to the activity of the engineering industries; new orders, output, deliveries, and expenditure. New orders provide the first tangible evidence of demand for these industries, which typically produce to order, while deliveries record the flow of finished products to the customer. The net output of these industries in each time period is conceptually the value added or amount of work done on items within the productive process and neither gross nor net output corresponds to either new orders or deliveries. Expenditure by customers on the products of these industries may occur simultaneously with deliveries, may follow it, or may even precede it, for example, in cases where progress payments become due upon the completion of particular stages in the production process(2). These variables are conceptually different, and although all but net output will tend towards

(1) The value of the physical increase in stocks and work in progress, another cyclically variable expenditure aggregate, was necessarily excluded from this analysis because of problems arising from the changes in its sign.

(2) In this broad categorisation of types of series, sales as defined for the purposes of the engineering inquiries introduced in 1972 approximate to deliveries and not expenditure. Expenditure represents payments actually made by purchasing firms, the conceptual basis of the national income fixed capital formation estimates.

approximately the same sum over time (at least when correctly expressed in constant price terms)([3]) both the timing and amplitude of their variations may differ. All would therefore be relevant to a full assessment of the cyclical variation of the engineering industries.

The series available for the individual MLH's are net new orders, deliveries and orders on hand. The net new orders series provides the clearest and earliest indication of the current level of demand for an industry's products. However for a number of reasons it does not correspond simply or precisely to an economist's concept of new demand. Firstly, it is derived([3]) as the difference between the change in recorded orders on hand within a period *plus* the recorded deliveries in that period and thus measures actual new orders net of cancellations of current or previous new orders. The precise timing and relative amplitude of the actual and net new orders series will therefore only be the same if cancellations are always in constant proportion to actual new orders. This is unlikely to be the case because of random fluctuations in cancellations, because cancellations are likely to be related to the new orders of previous periods as well as the current period, and because the proportion of new orders which are cancelled may be expected to vary systematically over the cycle, being higher in the down-swing than in the up-swing([4]). Together these considerations suggest that cancellations may reach a peak early in the down-swing of actual new orders and a trough early in the up-swing of actual new orders, and hence that the observable net new orders series may tend to lead the unobservable actual new orders series. Which series is likely to have the greater cyclical variation is difficult to ascertain on the basis of *a priori* considerations alone, and which series is the more relevant to industry's subjective assessment of the demand cycle is also open to question.

A further point relevant to the interpretation of the net new orders series is that it reflects the consequences of the actions of both purchasing and selling firms and does not necessarily correspond to a shift in a demand curve. Suppliers may have some influence on the net new orders which they receive both through their pricing policies and their willingness to seek and accept new orders. Since the cycle imposes costs upon them they may be expected to use their marketing policy (including pricing) to smooth the flow of new orders. Finally short-term changes in customers' placings of new orders are likely to reflect both underlying changes in the rate at which they wish to acquire new plant and machinery and their assessment and expectations about current and future order-delivery lags.

Deliveries represent the outflow of completed orders from the producing firms. In some cases deliveries will be made from stock and both new order and delivery will be recorded in the same period but more typically, and particularly where products are built to customer specification, there will be an observable lag between order and delivery. The magnitude of this lag varies considerably between products and hence in aggregate deliveries will be a complex distributed lag of previous new orders, with this lag distribution extending from zero to perhaps two to three years (to provide for some large and complex items of equipment). Moreover both *a priori* consideration and empirical investigations suggest that this lag distribution will tend to vary over the cycle, being shorter in (or after) periods of low demand and longer in (or after) periods of high demand. Faced with cyclical variations in demand and the difficulty and cost of varying output substantially in the short-run producing firms may prefer, or may be forced, to allow order-delivery lags to vary. Evidence of this phenomenon for the engineering industries in aggregate has been provided by Bispham (1970) and Trivedi (1970), and for the machine tool industry in particular by Lund and Miner (1973). The effect of the lag between new orders and deliveries being both distributed and variable in this way will be that deliveries will be smoother than new orders, both from quarter to quarter and more particularly over the cycle.

In addition to producing for the home market many of the United Kingdom engineering industries also have a very considerable export market. Clearly export market new orders in aggregate are likely to be affected by a rather different set of factors than are home market new orders in aggregate, and despite some evidence of an international economic cycle, variations in the new orders arising from the two markets are unlikely to be perfectly in phase. If the two markets were perfectly in phase, a measure of the cyclical variation of total net new orders would be some combination of the measured cyclical variations of net new orders in the separate

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([3]) The equality of new orders and deliveries, in the long run and assuming zero growth in the series follows from the statistical derivation of new orders from the identity

$$N_t = O_t - O_{t-1} + D_t$$

where O denotes orders on hand and D denotes deliveries. In the absence of measurement errors and differences between order and delivery prices it is obvious that the derived figure for new orders will differ from actual new orders only in that it will be net of cancellations made in the current period. The statistical series on new orders for the period considered in this article is therefore strictly described as 'net new orders'. Where contracts are subject to price escalation, sales and deliveries may be completed at prices different from those at which the original orders were placed. This will not affect the derivation of the net new orders figures from the identity if firms price deliveries similarly in both their statements of them and in their deductions of them from orders on hand. However in the absence of separate price indices for orders and deliveries deflation of net new orders and deliveries does require knowledge or assumptions about the extent of price escalation, firms' pricing of deliveries in their statistical returns, and the order-delivery lag distribution.

([4]) Considering the relationship between current cancellations and current new orders more fully, it might be postulated that the ratio between them will vary systematically over the cycle because: (i) the orders at risk of cancellation in each period are the total currently outstanding orders on hand (though with different degrees of risk) and the ratio of orders on hand to new orders varies over the cycle; and (ii) the probability that any particular order is cancelled may be expected to vary over the cycle. With reference to the first point it can be stated that if the order-delivery lag is stable over the cycle more orders will be on hand for any given level of current new orders in down-swings and troughs than in up-swings and peaks. This pattern will be strengthened by any cyclical variations in order-delivery lags since there will be more previous periods new orders remaining 'on hand' immediately after peaks than after troughs. On the second point it might be postulated that the probability that a new order is ultimately cancelled will be positively related to the cyclical position at which it was placed (for example, the probability being higher for orders placed at peaks due to over-optimism or duplication of orders) and negatively related to the change in the cyclical position whilst it is at risk (that is, the probability will be lower in up-swings than in down-swings).

markets, but to the extent that the series are not perfectly in phase with one another the cyclical variation of the total market could be less than that of both the separate markets([5]). Thus the existence of an export market might make an industry's total net new orders less cyclically variable than its home market net new orders either because export orders are less cyclically variable or because the two cycles are not perfectly in phase. In particular export net new orders may not display any regular cyclical pattern, or the cycles might be of different length (frequency). In addition to this effect, and whatever the cyclical pattern of export new orders, it is likely (for the reasons stated above with respect to the home market) that export deliveries will be less cyclically variable than export net new orders, and hence that total deliveries will be less cyclically variable than total net new orders. To summarise, therefore, *a priori* considerations suggest that the cyclical variation of an industry's total market will be less than that of its separate markets, and that its deliveries will be less cyclically variable than its net new orders.

Measurement of cyclical variation

The choice of procedure for measuring cyclical variation was largely determined by the available data span and the time constraints of the study. The net new orders and deliveries data available on a consistent basis at the required level of disaggregation spans only fifty-five quarters, 1958 2nd quarter to 1971 4th quarter. In the case of the home market series for which cycles are more easily observable, this time span covers just over three cycles, much less than would be desirable for an analysis of this type. In particular it makes less justifiable the use of the more rigorous techniques, such as ones based on spectral analysis.

An appropriate measure of cyclical variation would appear to require two features; that cyclical variations be distinguished from irregular or seasonal ones, and that these cyclical variations be measured around a trend and not around a constant mean level. Such a measure would indicate the variation of the series purged of seasonal and irregular variations (the trend-cycle) around the longer term trend. The practical steps in deriving such a measure were as follows. For the separate (home/export) market series for each of the industries listed in Table B trend-cycle estimates were generated by the Bureau of the Census Method II X-11 variant seasonal adjustment programme. In this analysis the estimates of the trend-cycle employed were those obtained from seasonally adjusted series by the application of a weighted five-quarter moving average. Trend-cycle estimates for the total market series were obtained by adding the separate home and export market trend-cycle estimates.

Consideration was given to several alternative methods of deriving the long-term trend series from which the deviations of the trend-cycle series could be measured. Experimentation with linear and exponential fitted trends and long-period moving averages was conducted for some series, and the alternative merits of using a single type of trend for all series or most appropriate type of trend in each particular case were considered. On balance it was decided to adopt a single type of trend for all series and to prefer exponential trends fitted by regression on the basis of both *a priori* and practical considerations. The derivation of a suitable long-term moving average trend series presupposes both knowledge and constancy of the cyclical frequency, it may reflect errors in the assumed frequency, and is unsatisfactory when the assumed periodicity of the cycle is long relative to the data span. On the other hand it is recognised that the use of an exponential trend assumes constant growth throughout the period and that distortions can arise unless the data spans approximately a whole number of cycles. The final stage in the practical derivation of a measure of cyclical variation is to calculate the variations of the trend-cycle series from the trend series and to summarise the magnitude of these deviations in a single measure. In order to make this measure independent of scale, both with respect to comparisons between different industries and different series and with respect to the trend value of the series at which particular relative deviations occurred, the individual deviations were first expressed as percentages of the corresponding trend values of the series. The final summary statistic is then the standard deviation of these percentage deviations of the trend-cycle from the trend. Implicit in the use of this statistic is an assumption that the amplitude of the cyclical variation around the trend for each series did not vary markedly during the data span.

These operations were performed on the basic series expressed in current prices and not after any price deflation to a constant price basis. This choice was governed by practical considerations, but it seems unlikely that, for reasons explained below, the choice will have had any significant effect on the pattern of the results. The practical considerations are the lack of appropriate price series at this level of disaggregation for exports, the confidentiality of some of the home market price series at this level, an uncertainty as to the extent to which the home market price series correctly reflect new order and not delivery prices, and the need to know (at least approximately) the shape of the (possibly variable) new order-delivery lag distribution in order to deflate at least deliveries. The grounds for supposing that the choice will have relatively little effect on the results reflect the nature of the analysis, the observed behaviour of prices over the cycles, and the extent of the apparent cyclical variation in some of the series.

Clearly in an inflationary period current price series will show faster rates of growth than constant price series, and the choice would only be immaterial to a comparison of growth rates if all variables were subject to the same rate of price change. However in this study the comparisons are between relative divergences from trend rates of growth and, given the derivation of the trend series, constant rates of inflation will not affect the comparison even if the rates are unequal between the different series. The distinction would only be of significance if deviations of prices from their trends were

([5]) This intuitive discussion of comparative cyclical variation begs the question of the measurement of that variation, and in particular assumes that it is measured relative to the scale of the variable (for example, as in a coefficient of variation) and not absolutely. Clearly the statements would not be correct if cyclical variation were measured simply by the variance (in its precise meaning) of each series.

TABLE B

Characteristics and cyclical features of individual engineering industries analysed

Order	MLH	Industry	Census of production net outputs expressed as total SIC VII, VIII and IX=1,000		Period covered (Q1=1st quarter, etc.)	Correlations between deviation of prices from their trend and deviations of (price-deflated) trend-cycle from trend of home market		Percentage of total deliveries exported		Standard deviation of percentage deviations of trend-cycles from trends					
										Net new orders			Deliveries		
			1963	1970		Net new orders	Deliveries	1963	1970	Home	Export	Total	Home	Export	Total
VII	331	Agricultural machinery (except tractors)	13·5	10·7	1963 Q1 to 1971 Q4	+0·41	+0·32	*36*	*38*	9·1	11·7	9·3	9·1	12·8	9·7
	332	Metal-working machine tools	44·3	41·1	1958 Q2 to 1971 Q4	−0·50	−0·32	*33*	*37*	24·4	25·6	22·0	10·4	12·2	8·7
	335	Textile machinery and accessories	29·1	22·7	1958 Q2 to 1971 Q4	+0·08	−0·38	*62*	*65*	15·9	19·1	15·6	12·6	7·2	6·8
	336	Construction and earth-moving equipment	27·2	27·2	1958 Q2 to 1971 Q4	−0·09	−0·78	*48*	*55*	19·6	12·3	13·5	13·1	10·3	8·9
	339/1	Mining machinery	13·6	10·9	1958 Q2 to 1971 Q4	−0·17	−0·20	*15*	*19*	11·9	35·9	12·4	9·2	35·3	9·4
	339/4	Space-heating, ventilating and air-conditioning equipment	16·8	20·3	1958 Q2 to 1971 Q4	−0·36	−0·30	*8*	*11*	10·0	14·6	9·1	8·3	9·4	7·5
	339/7	Food and drink processing machinery	11·0	11·5	1958 Q2 to 1971 Q4	−0·26	−0·56	*33*	*40*	13·5	17·7	11·3	5·7	14·6	6·9
	339/8	Packaging and bottling machinery	6·5	2·4	1958 Q2 to 1971 Q4	*	*	*49*	*48*	13·6	18·1	13·1	12·2	7·3	7·6
VIII and IX	361	Electrical machinery (*less* turbines)	104·2	69·2	1958 Q2 to 1971 Q4	−0·54	−0·08	*26*	*25*	15·9	11·8	12·3	9·1	7·9	6·5
	369	Other electrical goods	57·7	57·1	1958 Q2 to 1971 Q4	−0·67	−0·60	*14*	*14*	9·7	10·2	8·9	5·3	5·6	4·9
	354	Scientific and industrial instruments and systems, electronic computers, radio, radar and electronic capital goods	56·6	55·4	1963 Q1 to 1971 Q4	−0·35	−0·38	*34*	*33*	10·1	13·4	9·2	7·5	6·8	5·0
	366		8·7	15·1											
	367		45·1	45·5											
			110·4	116·0											
		Total industries analysed	434·3	389·1											

*Not calculated.

not independent of deviations of constant price values from their trends. If, for example, the two sets of deviations were positively correlated, the cyclical variation of the current price series would exceed that of the constant price series. Such an association might reflect, but would not necessarily imply, a deliberate variation in manufacturers' profit margins over the cycle. If this were so, it would be an open question whether the cyclical variations of the volume (constant price) series or those of the value (current price) series were the more relevant to an economic assessment of the magnitude of the cycle.

Despite the problems relating to the price indices an attempt was made to examine whether there was any cyclical variation in prices during the sample period. Correlation coefficients were calculated between the deviations of price-deflated current price trend-cycle series from their trends and the deviations of prices from their trends. The correlations were calculated for each industry analysed, and for home market net new orders and deliveries separately. The results are shown in Table B. They indicate that for most industries the correlation over the sample period was negative, and not positive as might have been expected. The explanation appears to lie in the joint occurrence of rapidly rising prices and a cyclical down-turn at the end of the sample period. The only exception to this pattern is provided by the case of MLH 331 (agricultural machinery), for which there was not a cyclical down-turn in net new orders in 1970 to 1971. The consequence of the general pattern of the correlations is that the measured cyclical variation of the current price series will tend to be less than that of the unmeasured variation of the implicit constant price series. However it is unlikely that the difference would be large relative to the measured cyclical variation in the current price series.

Results of cyclical analysis

The results of the comparative cyclical analysis are presented in Table B under the heading 'standard deviation of percentage deviations of trend-cycles from trends'. Due to the difficulty of constructing series on a consistent basis for all the engineering industries at the required level of disaggregation the analysis was confined to those industries for which consistent series for the period 1958 2nd quarter (or in two cases 1963 1st quarter) to 1971 4th quarter are available. In addition MLH 362 (insulated wires and cables) and MLH 363 (telegraph and telephone apparatus and equipment) were excluded because they are much affected by special factors, fluctuations in copper prices and the requirements of a particular customer respectively. Appendix I lists, for each of the engineering industries at MLH level, the

time span for which it is possible to construct consistent series for net new orders and deliveries and (where applicable) the reasons why consistent series for the period 1958 2nd quarter to 1971 4th quarter cannot be constructed.

The difference of time span prevents any meaningful comparisons being made between the results for the two industries with the shorter time span, MLH 331 (agricultural machinery) and MLH's 354/366/367 (scientific and industrial instruments and systems, electronic computers, radio, radar and electronic capital goods), and the other nine. However this is not of material importance in so far as it affects only two industries and only one particular type of comparison. Even if the same data span were used for all industries, comparisons between industries would be limited by the fact that since the cycles of the separate industries are not of exactly equal length or phasing a particular time period necessarily reflects differing ranges of cyclical experience in different industries(6). Comparisons of cyclical variation between industries should be treated with caution, partly for this reason and partly because since aggregation will tend to reduce variation as measured in this analysis larger industries will tend, *ceteris paribus*, to have less cyclical variation than smaller ones. Similarly disaggregation within an apparently stable industry could reveal product groups with very marked cyclical variation. This qualification is particularly relevant to any comparison of the measures of cyclical variation presented in Tables A and B, relating respectively to major expenditure aggregates and the net new orders and deliveries of individual MLH level engineering industries.

Examining the results for individual industries separately, it is seen that they are broadly consistent with the expectations about the relative cyclical variations expressed in an earlier section. The cyclical variations of the net new orders series generally exceed those of the deliveries series, and those of the total market series tend to be lower than those of the separate market series. The only exception to the first statement is provided by the case of MLH 331 (agricultural machinery), for which all three delivery cyclical variations are equal to or slightly larger than the corresponding net new order variations. The most likely explanation for this discrepancy would appear to lie in the relatively short average order-delivery lag in this industry and its lack of systematic variation over the cycle. Over the period of the last two complete cycles (1965 3rd quarter to 1970 2nd quarter, see later for derivation) the ratio of orders on hand to quarterly trend-cycle deliveries (an approximate indicator of average order-delivery lags) for the agricultural machinery home market varied irregularly between 0·15 and 0·36. In contrast the equivalent ratio for the home market of MLH 332 (metal-working machine tools) varied systematically over the cycle reaching peaks and troughs of 2·63 and 1·54 shortly after the peaks and troughs respectively in the trend-cycle values of home market net new orders. Typically the measured cyclical variation of an industry's total net new orders is almost twice that of its total deliveries, though the ratio is less consistent when the separate market series are examined.

Comparing the results for the home, export, and total markets for each industry it is seen that total market cyclical variation is never greater than both separate market cyclical variations and in about two-thirds of the cases is less than both. More particularly in almost all cases, with the exception of MLH 331 (agricultural machinery), total market variations are less than home market variations even though export markets appear to be at least as variable as home markets. The smoothing effects of the export markets are primarily due to their cycles being not as clear or regular as those of the home market or not fully in phase with them.

Another interesting aspect of cyclical variations relates to timing, and in this particular context to the extent to which the different industry cycles are in phase with one another. For any particular series this may be conveniently examined through the correlations between the percentage deviations of trend-cycle values from trend values for pairs of industries considered in turn. Table C sets out these correlations both from home market net new orders and home market deliveries. The correlations between the percentage deviations of trend-cycles from trends between pairs of industries are presented in the

(6) This qualification is likely to be more quantitatively important the shorter is the data span relative to the average length of cycle.

Correlations between percentage deviations of trend-cycle values from trend values for net new orders of different industries and for deliveries of different industries

TABLE C

Industries indicated by MLH number

	331	332	335	336	339/1	339/4	339/7	354	361	369
331		0·04	0·32	−0·09	−0·25	0·49	0·26	−0·07	0·36	0·21
332	−0·44		0·39	0·18	0·04	0·59	−0·05	0·12	0·30	0·61
335	0·50	0·31		−0·11	0·10	0·31	−0·19	−0·35	−0·06	0·03
336	0·28	0·22	0·62		0·10	0·16	0·18	0·21	0·14	0·11
339/1	−0·53	0·15	−0·29	0·06		0·25	0·13	0·11	0·38	0·22
339/4	0·35	0·56	0·57	0·35	−0·25		0·16	−0·07	0·61	0·57
339/7	0·46	0·30	0·27	0·48	−0·10	0·53		0·26	0·22	0·19
354	0·31	0·24	0·20	0·67	0·08	0·34	0·57		−0·32	0·47
361	−0·64	−0·17	−0·57	−0·51	0·15	−0·42	−0·32	0·30		0·67
369	0·67	0·15	0·82	0·84	−0·26	0·51	0·45	−0·09	−0·62	

Note: Correlations above and to the right of the main diagonal (top left—bottom right) relate to net new orders; those below and to the left of the main diagonal to deliveries.

cells above the main (top left—bottom right) diagonal for net new orders, and below the main diagonal for deliveries. MLH 339/8 (packaging and bottling machinery) was excluded from this analysis because of its small size, and in assessing the significance of the correlations shown in the table it should be remembered that whilst most are based on fifty-five observations, those involving MLH's 331 and 354/366/367 are only based on thirty-six observations. Summarising the correlation coefficients presented in the table, it may be noted that sixty-six of the ninety are positive, and that those for deliveries have a slightly higher median and rather larger variance than those for net new orders.

Further insight into the extent to which the separate industry cycles are in phase with one another may be obtained by identifying and comparing the timing of turning points in a particular series for each industry. Such an analysis has been conducted using the percentage deviations of the trend-cycle values from trend values for home market net new orders. This series reflects the home cycle as first experienced by the different industries. Although it is realised that reference to a smoothed series can be misleading in forecasting contexts, reference to the trend-cycle series does allow turning points to be fairly easily identified without formal rules, and this procedure was considered adequate for the purposes of this exercise. Identification and comparison of peak and trough turning points in this series for the nine industries for which the data-span was 1958 2nd quarter to 1971 4th quarter revealed an interesting pattern, consistent with but perhaps more illuminating than that shown in Table C. It was found on the one hand that there was no single quarter in which more than three industries out of the nine exhibited either peaks or troughs, but on the other that the peaks and troughs of the separate industries were clearly grouped together into distinct periods of five to ten quarters duration. These were identified as follows:

Peaks: 1959 4th quarter to 1961 2nd quarter, 1963 3rd quarter to 1964 4th quarter, 1968 2nd quarter to 1970 2nd quarter.

Troughs: 1958 2nd quarter (or earlier) to 1959 4th quarter, 1961 4th quarter to 1962 4th quarter, 1965 3rd quarter to 1967 4th quarter, 1970 3rd quarter to 1971 3rd quarter (or later).

Together these periods span forty-nine out of the fifty-five quarters in the data span, but only fifty out of one hundred and ten quarters when peaks and troughs are considered separately.

Despite the fact that these periods have been based upon observation of the turning points rather than outside information it is noteworthy that they encompassed fifty-seven out of the sixty-six identified turning points([7]), and that with the exception of MLH 339/1 (mining machinery)([8]) every industry has a correctly corresponding turning point in each of the above defined periods. The picture that emerges from Table C and this latter analysis is therefore one of separate industry cycles not fully in phase with one another but certainly moving fairly closely together and in broad conformity with the general economic cycle([9]). Finally this latter analysis allowed a crude check to be made of the relative timing of the different industries in the general home market new order cycle. Although no industry consistently led or followed the others throughout the whole sample period, MLH's 335 (textile machinery and accessories) and 339/7 (food and drink processing machinery) did tend to lead and MLH's 332 (metal-working machine tools) and 354/366/367 (scientific and industrial instruments and systems, electronic computers, radio, radar and electronic capital goods) did tend to lag. Such a pattern, if more rigorously established, would have implications for forecasting within the broad engineering orders, and may be of relevance to any economic assessment of the impact of the cycle on particular industries.

Conclusions

This article has sought to analyse various aspects of the economic cycle as experienced by the United Kingdom engineering industries during the period 1958 to 1971. It has been shown that their home market net new orders are fairly variable over the cycle, but that their total deliveries are considerably less variable over the cycle. This difference is due both to the presence of export markets and to order-delivery smoothing in each market. The two conceptual series for which no information is available at this level of disaggregation, work done and expenditure (by customers), are clearly more related to total deliveries than to home market net new orders, and may be expected to be at least as smooth over the cycle as total deliveries. It has also been shown that whilst the home market new order cycles of the different industries are not fully in phase with one another, they do tend to move together in conformity with the general economic cycle.

Although the results presented in this article may be considered interesting and illuminating, it must be admitted that they have not been based upon the most sophisticated methods of analysis available. For example, despite the limited time-span, spectral or other techniques may still be able to throw additional light on the nature of the cycles in the separate raw series, variable-weight distributed lag models could be used to analyse the net new order-delivery relationships, and similar econometric methods or more sophisticated time series analysis could be employed to analyse the phasing of the separate industry cycles. Whilst it is unlikely that such analyses would generate results markedly different from those presented in this article, they may provide further insight and detail. For this reason, and in order to assist any further independent work, the Department of Industry is prepared to make available upon request the separate series of net new orders and deliveries for MLH level industries for the time spans specified in Appendix I([10]).

This article was prepared within the Department of Trade and Industry with the assistance of a number of people, especially P. F. Bird, Mrs. A. Brown, D. Jeffery, C. L. Melliss, W. A. Wessell, and also J. S. Dryden (Central Statistical Office).

([7]) Four of the other eight turning points were for MLH 339/7 (food and drink processing machinery), for which the unusually large number of ten turning points were identified.

([8]) This industry's home market new orders are closely geared to one particular customer.

([9]) The Bank of England index of capital utilisation shows peaks in this period at 1960 1st quarter, 1964 4th quarter and 1968 4th quarter, and troughs at 1958 4th quarter, 1963 1st quarter, 1967 3rd quarter and 1972 1st quarter.

([10]) Requests for data should be addressed to Department of Industry, Room 603 Dean Bradley House, 52 Horseferry Road, London, SW1P 2AG.

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APPENDIX I

Net new orders and deliveries series, for individual engineering industries at MLH level, 1958—1971

Statistical series on net new orders and deliveries for groups of engineering products (referred to in the article at individual MLH level industries) are together available for the period 1958 2nd quarter to 1971 4th quarter as a result of the KS/Eng inquiry conducted during the period 1958 to 1971. The introduction of this inquiry was described in an article in the *Board of Trade Journal* (1959)([11]) and its termination and replacement by the new system of monthly and quarterly inquiries in an article in *Economic Trends* (1972)([12]). Under the KS/Eng inquiry information was collected on a voluntary basis from responding firms on their total and export deliveries and orders on hand, home market figures and net new orders being derived from the identities.

During the period of the KS/Eng inquiry its coverage was widened and changes were made in the classification of the products included in its scope. The major extension in coverage occurred in 1965 when additional instrument and electrical product headings were added. The major change in product classification took place at the beginning of 1969 with the switch from the 1958 SIC to 1968 SIC. In addition to these major changes other smaller ones occurred at different times during 1958 to 1971, for example, agricultural machinery was included in 1959, and there were periodic revisions to the mailing list.

For nine industries it has proved possible to construct time series of net new orders and deliveries on a reasonably consistent basis for the whole period 1958 2nd quarter to 1971 4th quarter. For the majority of these industries the statistics were collected on a similar basis throughout the period. For the remaining industries data from other sources was used to bridge the discontinuities. In addition there is an industry (MLH 331) and a group of industries in combination (MLH's 354/366/367) for which consistent series can be derived back to 1963 1st quarter.

The time spans for which it is possible to construct consistent series (extending up to 1971 4th quarter) for the other industries are listed in the table below, together with a brief explanation of why it is not possible to extend the series further back.

([11]) 'A new scheme of engineering statistics,' *Board of Trade Journal*, 8 May 1959.
([12]) 'Statistics of deliveries and orders in the engineering industries,' *Economic Trends*, No. 222, April 1972.

Availability of data on net new orders and deliveries for home and export markets for industries not analysed in cyclical study

Order	MLH	Industry	Census of production net outputs expressed as total SIC VII, VIII and IX = 1,000		Data availability (Q1 = 1st quarter, etc.)	Reasons why series not consistent 1958 2nd quarter to 1971 4th quarter
			1963	1970		
VII	333	Pumps, valves and compressors	38·7	44·6	1969 Q2 to 1971 Q4	Fluid power equipment not separately distinguished before 1969
	334	Industrial engines	18·7	16·5	..	Statistics on turbines not available
	337	Mechanical handling equipment	32·2	35·4	1969 Q2 to 1971 Q4	Industrial trucks added to category in 1969 following 1968 SIC change
	338	Office machinery	14·9	22·4	1965 Q4 to 1971 Q4	Some computers included in figures prior to 1965
	339/2	Printing, bookbinding and paper goods machinery	11·0	10·7	1969 Q2 to 1971 Q4	Not separately distinguished before 1969
	339/3	Refrigerating machinery (except domestic type refrigerators)	6·2	3·9	1969 Q2 to 1971 Q4	Domestic refrigerators included prior to 1969
	339/5,6,9	Miscellaneous (non electrical) machinery	63·6	65·4	1969 Q2 to 1971 Q4	Residual heading affected by changes above
	341	Industrial (including process) plant and steelwork	80·7	100·8	1969 Q2 to 1971 Q4	Introduction of complete process plant heading (*plus* expansion of mailing list)
	349	Other mechanical engineering not elsewhere specified	92·3	97·9	1969 Q2 to 1971 Q4	Residual heading affected by changes above
VIII	351	Photographic and document copying equipment	2·4	8·0	1965 Q4 to 1971 Q4	Heading introduced in 1965
	352	Watches and clocks	4·5	5·2	1965 Q4 to 1971 Q4	Heading introduced in 1965
	353	Surgical instruments and appliances	11·0	11·7	1965 Q4 to 1971 Q4	Heading introduced in 1965
IX	362	Insulated wires and cables	33·9	32·4	1958 Q2 to 1971 Q4	
	363	Telegraph and telephone apparatus and equipment	40·3	34·8	1963 Q2 to 1971 Q4	New heading in 1965
	364	Radio and electronic components	39·6	57·6	1969 Q2 to 1971 Q4	Affected by SIC change in 1968
	365	Broadcast receiving and sound reproducing equipment	31·4	33·1	1969 Q2 to 1971 Q4	Affected by SIC change in 1968
	368	Electric appliances primarily for domestic uses	44·4	30·7	1969 Q2 to 1971 Q4	Affected by switch of refrigerators from 339/3 in 1969

APPENDIX II

The relationship of the series analysed to other published series on the orders and deliveries of the United Kingdom engineering industries

This appendix sets the series analysed in this article in the context of the various series on the orders and deliveries of the engineering industries that are or have been published. These series take two forms: index numbers of volumes relating to aggregate SIC orders (mechanical, instrument, electrical engineering and the combined engineering industries) and values relating to individual industries or products at MLH or lower levels. The major change in the system of collecting the statistics, and hence in the continuity of the published series, occurred in 1971 to 1972 when the KS/Eng inquiry and a number of separate special inquiries were replaced by the new system of monthly and quarterly inquiries.

For quarters prior to 1972 current price values of net new orders, orders on hand and deliveries for both total and export markets at MLH (or slightly lower levels) as derived from the KS/Eng inquiry were published in the *Monthly Digest of Statistics*, though the published data for prior to 1969 was limited to total deliveries. It is this set of data which is described more fully in Appendix I and upon which the cyclical analysis in the article is based. In addition there existed prior to 1971/72 a number of separate inquiries relating to particular sections of the engineering industries. For example, there was an additional inquiry for metal-working machine tools and from this quarterly figures of total and export new orders, orders on hand, and deliveries were published from 1956 1st quarter in the *Monthly Digest of Statistics*. For quarters from 1972 current price values of sales and overseas trade for individual product groups within each MLH (or slightly lower level) are now published in separate Business Monitors in the PQ series. Although there are appreciable differences between the new and former inquiries in respect of coverage, definition and techniques of compilation an attempt has been made for some industries (for example, metal-working machine tools) to link the pre—and post—1971/72 data series.

A set of aggregate volume indices, based on the earlier KS/Eng inquiry, for first the 1958 SIC Order VI engineering and electrical goods (and then the 1968 SIC Orders VII, VIII and IX combined), was published for months between 1958 and 1971. Monthly volume indices covering net new orders, orders on hand and sales for both home and export markets based on the new inquiries are now published for each of the separate 1968 SIC Orders VII, VIII and IX (mechanical, instrument, and electrical engineering) in the *Monthly Digest of Statistics* and *Business Monitor PM33-36* (previously numbered PM/Eng and P113). These are based on the new inquiry which differs from the earlier KS/Eng inquiry in respect of coverage, definition and techniques of compilation. In particular the new inquiry has replaced 'deliveries' by 'sales' with the latter including merchanted goods. Definitions of sales and orders on hand, together with a reproduction of the monthly questionnaire were presented in the first issue of the Business Monitor (then numbered P113), published in September 1972. That issue provided a descriptive comparison with the earlier inquiry, and the issue for September-October 1972, published in February 1973, presented the results of an attempt to link the new and former series in both tabular and graphical form. Monthly volume indices covering net new orders, orders on hand and deliveries/sales for both home and export markets are available for the three 1968 SIC engineering orders from January 1969, and for the engineering industries combined from January 1963, as a result of the special reworking of previous returns then made to provide longer time series for analysis.

CHARTS AND TABLES

The purpose of the charts and tables is to provide the broad background to the trends of the economy rather than to give detailed information about particular series (for which the *Monthly Digest of Statistics* and other publications may be consulted). Economically related series are grouped together and consequently the same series may appear on more than one page.

Most series are seasonally adjusted, that is, normal seasonal changes have as far as possible been removed from the figures; by this means movements in different periods may more readily be compared, but it must be borne in mind that the seasonal adjustments are subject to some uncertainties. For series which still show considerable short-term fluctuations after seasonal adjustment a trend line has been fitted by the use of weighted moving averages.

For convenience of comparison, index numbers in some charts and tables are referred to a common date as base which differs from the original base dates to which their weighting applies.

In order that recent movements may be seen in perspective most of the charts cover a long run of years, but some of the series (for example, measures of volume or of price changes) may provide only a broad guide to changes over long periods.

Logarithmic scales are used in charts where the main purpose is to compare the slopes of series which are very different in magnitude.

Except where otherwise stated, monthly and quarterly figures relate to totals for the period and are not converted to annual rates. The statistics relate mainly to the United Kingdom of Great Britain and Northern Ireland; where figures are for Great Britain only, this is indicated on the table.

In tables where figures have been rounded to the nearest final digit, there may be an apparent slight discrepancy between the sum of the constituent items and the total as shown. The following symbols are used in the tables:

.. not available
— nil or less than half the final digit shown
§ series for which measures of variability are given on page 42

LIST OF CHARTS AND TABLES

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Main economic series

All series are seasonally adjusted unless otherwise stated

	Gross domestic product at factor cost at 1970 prices (1) §				Index of industrial production §		Employed labour force (2)	Output per person employed at 1970 prices			Wages and salaries per unit of output	Unemployed excluding school-leavers and adult students (UK)	
	Expenditure based	Income based (3)	Output based	Average estimate	All industries	Manufacturing industries		Gross domestic product (Output)	All production industries	Manufacturing industries	Whole economy	Monthly average Thousands	Percentage rate(4)
	1970 = 100												
1963 1st quarter	79·4	79·1	78·7	79·1	75·3	74·0	99·4	79·2	73·6	73·9	75·2	585·4	2·5
2nd quarter	83·4	82·8	81·8	82·7	79·0	76·8	100·0	81·8	76·6	76·8	73·4	557·5	2·4
3rd quarter	83·5	84·0	83·2	83·6	81·3	79·4	100·1	83·1	78·6	79·4	73·5	526·4	2·2
4th quarter	85·3	85·1	84·4	85·0	83·1	81·3	100·7	83·8	80·1	81·1	74·1	480·5	2·0
1964 1st quarter	86·0	85·8	85·5	85·8	85·6	84·1	100·9	84·7	82·0	83·4	75·0	418·8	1·8
2nd quarter	88·0	86·9	86·8	87·3	85·6	84·1	100·1	85·8	81·8	83·0	75·5	404·0	1·7
3rd quarter	87·6	88·4	87·2	87·7	86·2	84·9	101·5	85·9	82·1	83·5	75·9	389·9	1·6
4th quarter	89·0	88·0	88·5	88·5	88·5	87·3	101·9	86·9	83·8	85·4	77·9	353·8	1·5
1965 1st quarter	89·2	88·9	89·0	89·0	89·0	87·1	102·2	87·3	84·0	85·0	77·9	332·1	1·4
2nd quarter	89·1	89·6	89·1	89·2	88·7	87·4	102·2	87·2	83·7	85·2	78·8	338·1	1·4
3rd quarter	90·0	90·4	89·5	90·0	88·7	87·2	102·2	87·6	83·6	84·7	79·7	352·8	1·5
4th quarter	90·8	91·3	90·5	90·9	90·1	88·6	102·7	88·1	84·8	86·0	80·5	328·0	1·4
1966 1st quarter	90·7	90·7	91·0	90·8	90·9	90·0	102·9	88·4	85·5	87·3	82·9	302·1	1·3
2nd quarter	91·2	90·2	91·3	90·9	91·0	89·6	102·9	88·8	85·7	87·0	84·6	314·5	1·3
3rd quarter	92·0	92·8	91·5	92·1	91·2	90·1	102·7	89·1	86·1	87·5	82·6	352·2	1·5
4th quarter	92·6	92·2	90·8	91·8	89·3	87·2	101·9	89·1	85·1	85·6	83·0	444·1	1·8
1967 1st quarter	93·6	91·3	91·1	92·0	90·5	88·6	101·3	89·9	87·0	87·8	83·4	515·7	2·2
2nd quarter	94·2	94·2	92·1	93·5	91·4	89·5	101·3	90·9	88·5	89·3	83·8	544·7	2·3
3rd quarter	94·1	93·2	92·5	93·3	91·5	89·7	101·3	91·3	89·2	90·2	85·9	559·8	2·4
4th quarter	92·9	93·7	94·0	93·5	93·4	91·4	101·0	93·1	91·6	92·3	86·2	569·3	2·4
1968 1st quarter	96·2	95·1	96·4	95·9	96·3	94·5	100·8	95·6	94·7	95·6	87·0	573·7	2·4
2nd quarter	95·8	95·8	96·1	95·9	97·0	95·6	100·6	95·5	95·7	96·8	86·7	580·9	2·5
3rd quarter	97·9	98·3	96·5	97·5	97·4	96·2	100·6	95·9	96·1	97·0	86·0	576·6	2·4
4th quarter	98·5	99·0	97·0	98·2	97·9	96·7	100·7	96·3	96·4	97·2	86·7	567·6	2·4
1969 1st quarter	98·1	98·3	97·5	98·0	99·0	98·2	100·7	96·8	97·2	98·2	89·3	562·3	2·4
2nd quarter	97·9	98·3	98·6	98·2	100·4	100·1	100·7	97·9	98·7	99·7	90·1	557·2	2·4
3rd quarter	98·3	98·9	98·5	98·6	99·8	99·6	100·6	97·9	98·3	99·2	90·8	566·7	2·4
4th quarter	99·6	99·6	98·6	99·3	99·7	99·7	100·4	98·2	98·4	99·1	93·2	580·2	2·5
1970 1st quarter	98·2	97·5	99·4	98·4	99·7	99·7	100·4	99·0	98·9	99·3	96·9	586·9	2·5
2nd quarter	100·0	100·5	99·6	100·0	99·5	99·2	100·0	99·6	99·2	98·9	99·0	597·8	2·5
3rd quarter	100·4	101·5	100·4	100·7	100·4	100·2	99·8	100·6	100·6	100·3	100·7	606·8	2·6
4th quarter	101·4	100·6	100·6	100·8	100·3	100·8	99·7	100·9	101·1	101·4	103·4	617·5	2·6
1971 1st quarter	100·1	100·0	99·8	100·0	99·9	99·7	98·5	101·3	101·3	100·8	106·5	668·5	2·9
2nd quarter	101·4	99·9	101·2	100·9	100·7	100·2	98·4	102·8	103·6	103·1	109·1	750·3	3·3
3rd quarter	103·3	101·2	101·7	102·1	100·4	99·3	97·6	104·2	104·1	103·3	111·1	813·1	3·6
4th quarter	103·3	101·4	102·3	102·3	100·2	98·8	97·6	104·8	105·0	104·1	112·5	871·6	3·8
1972 1st quarter	102·2	99·8	101·7	101·2	98·2	98·6	98·2	103·6	103·6	105·0	116·8	908·2	4·0
2nd quarter	103·4	103·3	104·5	103·8	102·7	101·2	98·4	106·2	108·3	108·1	117·4	879·4	3·8
3rd quarter	103·3	103·2	104·8	103·8	102·9	102·3	98·7	106·2	108·7	109·3	120·6	846·5	3·7
4th quarter	105·1	105·9	106·8	105·9	105·8	105·4	99·2	107·7	111·5	112·7	122·4	785·4	3·4
1973 1st quarter	110·6	107·6	109·7	109·3	110·2	110·4	100·0	109·7	115·6	117·7	124·1	700·0	3·1
2nd quarter	108·9	109·3	108·9	109·0	109·3	109·4	99·8	109·1	114·4	116·1	126·9	636·4	2·8
3rd quarter	110·1	108·6	110·0	109·6	110·3	110·7			115·4	117·3	131·0	591·4	2·6
4th quarter	108·6	109·7	109·5	109·3	108·8	109·7			113·6	116·0	134·0	516·0	2·3
1974 1st quarter												570·1	2·5
2nd quarter													
3rd quarter													
4th quarter													

(1) These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
(2) The earlier figures in this series have been adjusted to be consistent with Census of Employment data on which the later figures are based.
(3) Income data deflated by the price index implied by estimates based on expenditure data.
(4) The base used in calculating the percentage rate of unemployment is the estimate of total employees (employed and unemployed). Figures of employees in employment are now obtained from the Census of Employment, described on pages 5 to 7 of the January 1973 issue of the *Department of Employment Gazette*.

Main economic series *(continued)*

All series are seasonally adjusted unless otherwise stated

	Unfilled vacancies (GB) Adults only §	Basic hourly wage rates	Average earnings of all employees (GB) §	General index of retail prices: All items	General index of retail prices: All items except items of food whose prices show significant seasonal variations	Wholesale prices index: Basic materials and fuel purchased by manufacturing industry	Wholesale prices index: Output All manufactured products Home sales	Unit value index numbers (1): Exports	Unit value index numbers (1): Imports	Unit value index numbers (1): Terms of trade	Personal disposable income revalued at 1970 prices(2)§	Consumers' expenditure at 1970 prices §	Personal savings ratio (3)
	n.s.a.	n.s.a.		n.s.a.	n.s.a.	(4)n.s.a.	n.s.a.	n.s.a.	n.s.a.	n.s.a.			
	Monthly average Thousands	Jan. 1956 =100	Jan. 1970 =100	Jan. 1962=100		1970=100					£ million		Percentage
1963 1st quarter	127·5	139·4	62·1	103·3	102·8	77·2	77·7	75·9	78·6	96·6	7,179	6,631	7·6
2nd quarter	136·8	140·9	64·0	103·9	103·0	77·4	77·9	76·3	79·1	96·5	7,350	6,873	6·5
3rd quarter	142·7	141·5	65·1	103·2	103·5	76·9	77·9	77·2	78·9	97·8	7,523	6,950	7·6
4th quarter	170·6	143·3	65·9	104·0	104·6	80·3	78·5	77·5	80·1	96·8	7,577	6,962	8·1
1964 1st quarter	199·9	146·1	67·4	104·9	105·4	80·6	79·1	77·3	80·7	95·8	7,608	7,015	7·8
2nd quarter	212·4	147·8	68·5	106·8	107·0	80·3	80·2	77·7	80·7	96·3	7,633	7,035	7·8
3rd quarter	228·4	149·5	69·9	107·7	108·3	81·1	80·7	78·5	80·7	97·3	7,741	7,081	8·5
4th quarter	243·7	151·0	70·9	108·6	109·3	82·5	81·2	78·6	81·3	96·7	7,757	7,143	7·9
1965 1st quarter	249·6	153·8	72·2	109·6	110·3	82·5	82·1	79·3	81·4	97·4	7,804	7,151	8·4
2nd quarter	270·4	156·1	73·3	112·4	112·6	82·2	83·4	79·5	81·4	97·7	7,780	7,115	8·5
3rd quarter	270·9	159·9	74·5	112·9	113·3	81·6	83·8	80·1	81·2	98·6	7,873	7,208	8·4
4th quarter	269·4	161·9	76·3	113·6	114·0	82·4	84·0	80·7	81·6	98·9	7,998	7,234	9·5
1966 1st quarter	275·8	166·0	77·6	114·4	114·8	83·9	84·8	81·8	82·0	99·8	8,303	7,338	11·6
2nd quarter	278·5	168·1	79·2	116·6	116·3	85·4	85·4	83·0	82·8	100·2	7,946	7,375	7·2
3rd quarter	259·4	169·8	79·6	117·0	117·4	84·0	86·1	83·6	82·2	101·7	7,907	7,288	7·8
4th quarter	205·3	169·9	79·6	117·9	118·1	83·4	85·9	83·6	82·3	101·6	7,976	7,257	9·0
1967 1st quarter	183·4	171·4	79·8	118·6	118·7	82·8	86·1	83·8	82·1	102·1	7,925	7,312	7·7
2nd quarter	166·5	172·9	80·7	119·6	119·2	82·3	86·1	83·9	81·4	103·1	8,152	7,403	9·2
3rd quarter	166·3	177·3	82·6	119·0	119·2	82·6	86·6	84·4	83·2	101·4	8,297	7,510	9·5
4th quarter	179·3	179·7	84·2	120·4	120·7	87·6	87·1	85·4	86·6	98·6	8,189	7,616	7·0
1968 1st quarter	180·5	184·8	85·9	122·1	122·2	92·3	88·7	88·9	92·0	96·6	8,406	7,807	7·1
2nd quarter	181·2	185·8	87·1	125·0	125·0	90·7	89·8	90·8	92·7	98·0	8,196	7,493	8·6
3rd quarter	187·6	187·7	89·0	125·7	126·1	91·0	90·3	92·3	94·1	98·1	8,256	7,605	7·9
4th quarter	202·0	191·0	91·0	127·2	127·6	91·8	91·0	92·8	94·6	98·1	8,292	7,651	7·7
1969 1st quarter	200·6	194·7	92·2	129·7	129·7	93·1	92·2	93·9	94·5	99·4	8,338	7,592	8·9
2nd quarter	200·8	195·6	94·1	131·8	131·0	94·3	92·6	93·9	95·5	98·3	8,222	7,665	6·8
3rd quarter	199·2	197·8	95·9	132·0	132·0	95·2	93·7	94·2	96·5	97·6	8,310	7,640	8·1
4th quarter	197·2	201·6	98·5	133·7	133·9	97·5	94·7	95·1	98·1	96·9	8,411	7,741	8·0
1970 1st quarter	194·2	209·0	101·6	136·2	136·0	99·2	96·7	98·9	99·6	99·3	8,334	7,715	7·4
2nd quarter	189·1	214·0	105·0	139·5	138·7	99·7	98·9	100·0	100·8	99·2	8,617	7,836	9·1
3rd quarter	185·1	219·5	108·3	141·1	141·3	99·8	100·9	102·0	100·8	101·2	8,719	7,923	9·1
4th quarter	174·3	228·3	111·9	144·0	144·6	101·4	103·4	102·3	100·6	101·7	8,705	7,930	8·9
1971 1st quarter	149·9	237·5	114·6	147·9	148·0	103·0	106·3	104·1	102·8	101·3	8,678	7,873	9·3
2nd quarter	127·2	242·4	117·2	153·2	152·8	104·9	108·7	105·3	106·0	99·3	8,702	8,014	7·9
3rd quarter	120·4	248·6	120·4	155·3	155·5	105·6	110·3	107·4	106·5	100·8	8,812	8,133	7·7
4th quarter	118·6	257·0	122·6	157·3	157·5	104·8	110·8	109·1	105·6	103·3	8,969	8,234	8·2
1972 1st quarter	123·5	265·9	126·3(5)	159·7	159·7	105·6	112·1	110·3	106·6	103·5	8,984	8,346	7·1
2nd quarter	132·0	272·0	130·6	162·7	162·5	106·1	113·5	110·8	107·4	103·2	9,492	8,479	10·7
3rd quarter	147·2	103·4(6)	135·1	165·4	165·1	109·4	115·6	114·1(7)	110·8(7)	103·0(7)	9,379	8,607	8·2
4th quarter	178·6	108·1	142·0	169·4	169·2	115·6	118·0	115·1	115·8	99·4	9,652	8,739	9·5
1973 1st quarter	228·4	108·9	143·8	172·4	171·4	126·0	119·5	118·7	122·2	97·1	9,755	9,017	7·5
2nd quarter	288·9	113·8	149·3	177·9	175·6	133·4	120·1(8)	122·9	132·2	93·0	9,985	8,832	11·5
3rd quarter	334·0	118·6	154·8	180·6	179·1	150·5	124·2	127·3	145·3	87·6	9,933	8,923	10·1
4th quarter	364·2	121·1	160·0	186·8	184·8	167·2	129·1	134·6	161·6	83·3	9,993	8,923	10·7
1974 1st quarter	285·1	124·8		194·6	192·4	206·5	138·2						
2nd quarter													
3rd quarter													
4th quarter													

(1) *Overseas Trade Statistics* basis. (2) Before providing for depreciation, stock appreciation and additions to tax reserves. (3) Personal saving, including additions to reserves, as a percentage of personal disposable income. (4) Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971. (5) As industrial activity was severely disrupted by restricted electricity supplies, no enquiry was held in February. The index is therefore given as an average of the January and March figures.
(6) The current series is based on 31 July 1972=100; the hourly wage rates index based on January 1956=100 was 277·3 at that date.
(7) Affected by the dock strike. (8) See footnote (2) on page 30.
n.s.a. = not seasonally adjusted.

Main economic series *(continued)*

All series are seasonally adjusted unless otherwise stated

	Volume of retail sales (GB) (1)	New registrations of cars (GB)	Changes in hire purchase and other instalment debt(2)	Gross domestic fixed capital formation						Investment in stocks(3) §		Engineering (4) industries	Construction industry
				Total §	Private sector	Public sector	Manufacturing industry §	Private dwellings	Public dwellings	Total	Manufacturing	Net new orders Home market	Orders received
	1971=100	Thousands	£ million	£ million at 1970 prices								1963=100	1970=100
1962 1st quarter	83·5	179·6	— 32	1,565	887	678	413	173	106	— 37	— 58	..	..
2nd quarter	84·1	195·8	— 13	1,610	913	697	403	173	113	17	15	..	..
3rd quarter	84·6	194·1	+ 5	1,608	907	701	385	170	131	55	9	..	..
4th quarter	84·6	215·3	+ 5	1,561	865	696	374	162	116	— 24	— 6	..	..
1963 1st quarter	84·7	211·0	+ 2	1,416	829	587	338	125	81	— 18	17	104	97
2nd quarter	86·4	254·0	+ 19	1,622	895	727	354	176	125	81	— 17	106	95
3rd quarter	88·0	260·7	+ 28	1,674	902	772	346	185	133	— 7	6	112	107
4th quarter	88·2	282·9	+ 34	1,739	956	783	353	193	140	141	97	113	94
1964 1st quarter	88·7	283·6	+ 41	1,804	998	806	369	195	153	176	133	117	104
2nd quarter	88·9	288·0	+ 40	1,855	1,028	827	392	202	163	270	196	126	112
3rd quarter	89·4	309·5	+ 45	1,911	1,060	851	395	205	157	207	130	123	115
4th quarter	90·4	309·6	+ 42	1,934	1,078	856	413	211	157	283	194	127	126
1965 1st quarter	91·0	307·4	+ 35	1,959	1,101	858	442	216	161	172	132	119	115
2nd quarter	91·1	264·2	+ 40	1,921	1,066	855	416	202	159	139	135	111	107
3rd quarter	91·8	272·0	+ 25	1,921	1,064	857	434	199	162	167	119	115	108
4th quarter	92·5	278·9	+ 13	2,006	1,100	906	440	200	181	124	74	120	99
1966 1st quarter	93·3	296·4	+ 3	1,974	1,096	878	450	194	178	123	103	122	102
2nd quarter	93·5	315·7	— 11	1,964	1,039	925	436	195	173	136	52	113	102
3rd quarter	92·5	247·5	— 54	2,018	1,072	946	449	189	193	167	149	117	106
4th quarter	91·9	205·8	— 73	2,027	1,054	973	445	187	206	— 12	11	115	99
1967 1st quarter	93·3	240·8	— 48	2,091	1,065	1,026	439	191	211	107	46	107	128
2nd quarter	93·4	268·0	— 39	2,184	1,127	1,057	452	199	214	127	24	120	116
3rd quarter	95·2	290·5	+ 16	2,163	1,103	1,060	425	210	212	38	11	117	112
4th quarter	96·4	317·3	+ 31	2,126	1,053	1,073	419	201	211	66	— 9	109	115
1968 1st quarter	98·7	324·2	+ 34	2,246	1,137	1,109	440	212	235	— 46	— 59	120	110
2nd quarter	95·8	245·2	— 8	2,217	1,150	1,067	434	214	220	170	91	122	106
3rd quarter	96·8	263·9	+ 12	2,225	1,204	1,021	453	206	221	195	153	126	106
4th quarter	97·3	283·6	+ 8	2,263	1,236	1,027	471	214	218	152	84	123	112
1969 1st quarter	96·9	233·7	— 16	2,279	1,263	1,016	481	203	227	157	140	133	102
2nd quarter	97·8	264·3	+ 1	2,235	1,257	978	504	197	210	107	83	134	99
3rd quarter	97·2	260·1	— 3	2,280	1,281	999	520	188	233	70	24	130	103
4th quarter	96·9	229·3	— 2	2,248	1,242	1,006	519	170	220	85	73	133	105
1970 1st quarter	98·6	258·6	+ 10	2,236	1,246	990	515	168	198	— 21	22	130	103
2nd quarter	99·0	285·8	+ 24	2,317	1,290	1,027	534	170	199	125	76	131	105
3rd quarter	99·5	277·6	+ 20	2,318	1,315	1,003	538	179	203	106	26	135	101
4th quarter	99·1	275·2	+ 30	2,352	1,273	1,079	542	185	201	47	51	130	91
1971 1st quarter	97·8	282·4	+ 13	2,299	1,220	1,079	511	192	193	114	10	122	105
2nd quarter	99·7	289·8	+ 37	2,332	1,331	1,001	498	202	195	—103	—113	125	111
3rd quarter	100·5	347·6	+107	2,318	1,337	981	491	210	182	— 18	— 68	140	108
4th quarter	102·1	381·7	+ 83	2,320	1,312	1,008	468	227	180	—	— 47	139	105
1972 1st quarter	102·1	371·9	+ 87	2,369	1,344	1,025	466	241	185	—131	—156	160	116
2nd quarter	104·6	439·8	+108	2,358	1,396	962	447	237	173	—100	—145	149	121
3rd quarter	107·2	418·5	+123	2,346	1,389	957	430	239	167	— 83	—125	170	104
4th quarter	109·5	432·7	+106	2,356	1,449	907	432	264	163	— 80	— 72	165	108
1973 1st quarter	111·8	454·6	+176	2,506	1,499	1,007	465	263	173	247	168	191	123
2nd quarter	108·0	406·5	+ 80	2,358	1,412	946	448	275	161	209	87	192	111
3rd quarter	110·5	428·7	+109	2,469	1,462	1,007	485	268	181	135	79	207	111
4th quarter	112·3	355·7	+ 73	2,505	1,503	1,002	489	248	169	92	98	193	84(5)

(1) This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
(2) Credit extended by finance houses and retailers, i.e. durable goods shops and department stores *plus* (from 1965) other general stores, general mail order houses and the non-durable goods departments of co-operative societies.
(3) Value of physical increase in stocks and work in progress.
(4) Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX). See also page 25.
(5) Provisional.

Main economic series *(continued)*

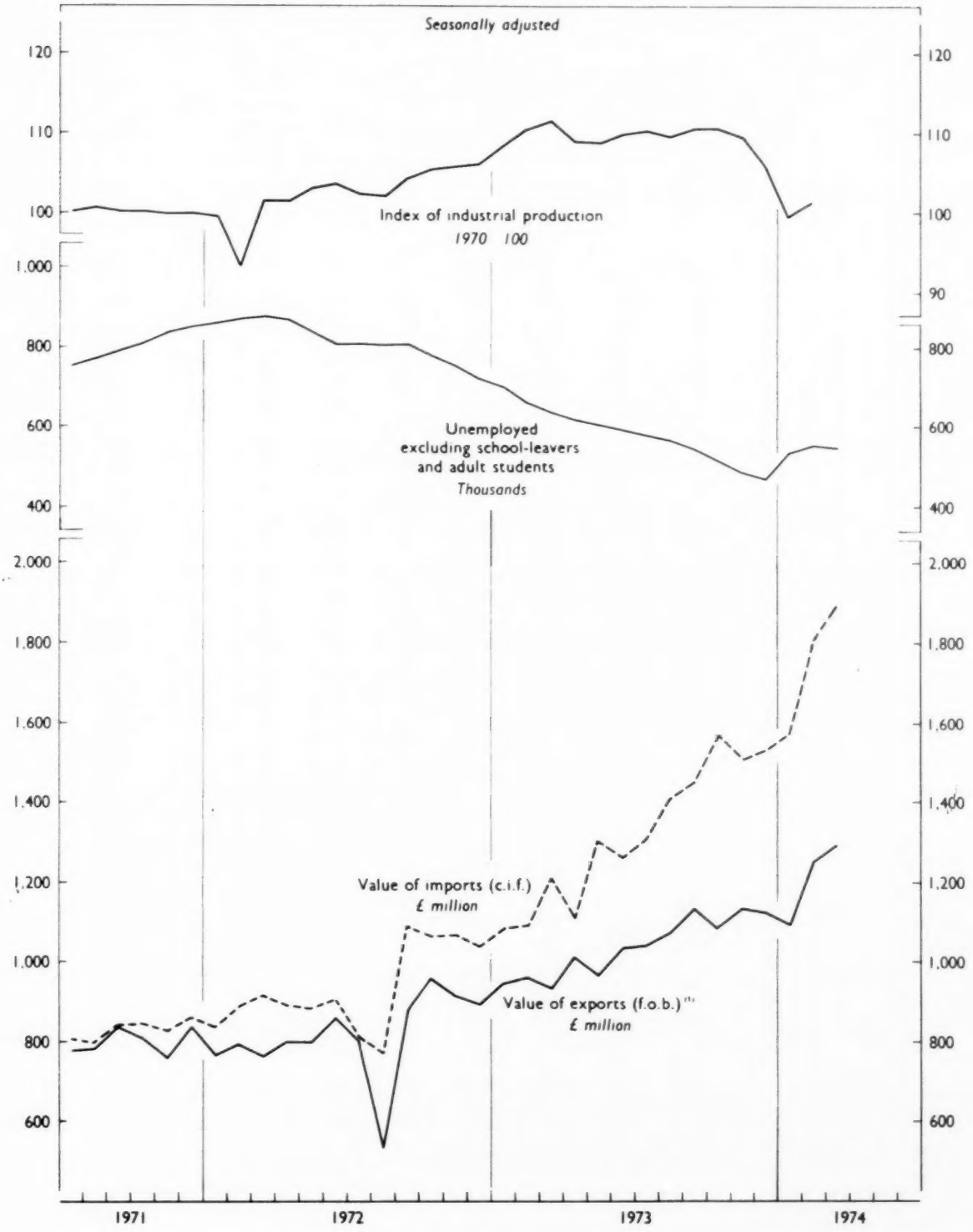
All series are seasonally adjusted unless otherwise stated

	Stock ratios		Change in money stock(1)		Domestic credit expansion	United Kingdom banking sector			Balance of payments		External trade (2)	
	Total stocks to gross domestic product (Expenditure)	Manufacturing stocks to output	M_1	M_3		Change in deposits of domestic sectors	Lending to		Current balance	Total currency flow n.s.a.	Volume of exports	Volume of imports
							Public sector	Private sector (3)				
	End-1969=100		£ million								1970=100	
1962 1st quarter	..	..	..	..	..	..	..	..	+ 29	+137	..	..
2nd quarter	..	..	..	..	..	..	..	..	+ 48	+ 84	..	..
3rd quarter	..	..	..	..	..	..	..	..	+ 12	— 36	..	..
4th quarter	..	..	..	..	..	..	..	..	+ 33	+ 7	..	..
1963 1st quarter	100	105	..	50	145	..	..	..	+ 54	— 86	67·3	65·8
2nd quarter	96	101	180	246	350	232	167	196	+ 35	+ 50	69·5	68·0
3rd quarter	95	98	131	177	217	153	138	187	+ 26	+ 6	70·5	70·9
4th quarter	94	97	179	237	336	220	56	146	+ 9	— 28	71·7	72·6
1964 1st quarter	95	95	47	110	362	59	— 58	164	— 82	+ 1	71·6	76·2
2nd quarter	94	97	77	173	363	152	44	220	— 64	+ 12	72·6	76·3
3rd quarter	96	98	71	214	377	186	98	276	—112	—126	70·3	77·6
4th quarter	97	98	39	156	461	113	—398	352	—124	—582	72·5	78·7
1965 1st quarter	98	99	14	122	331	82	—148	186	—	—166	72·8	74·0
2nd quarter	99	101	108	315	318	272	175	122	— 43	—166	74·7	78·0
3rd quarter	99	102	12	183	140	158	167	25	— 14	—196	76·8	79·1
4th quarter	99	102	141	341	379	280	260	109	+ 8	+175	78·0	79·3
1966 1st quarter	100	101	158	285	361	256	122	111	— 43	+ 48	77·7	81·1
2nd quarter	100	102	— 37	62	261	15	— 54	— 26	— 29	—163	74·5	77·7
3rd quarter	100	103	— 25	156	159	141	38	26	— 11	—488	78·8	81·3
4th quarter	100	107	—199	— 36	— 69	— 14	111	— 89	+167	+ 56	82·3	76·3
1967 1st quarter	99	106	260	290	244	246	395	42	+ 19	+509	84·1	84·2
2nd quarter	100	105	130	312	278	284	271	— 60	— 71	— 12	80·5	84·7
3rd quarter	100	105	167	421	684	400	24	317	— 31	—506	78·1	83·9
4th quarter	101	103	102	321	594	291	—118	211	—233	—662	69·2	87·3
1968 1st quarter	98	98	23	207	650	147	—227	107	— 92	—519	87·7	94·0
2nd quarter	99	98	162	435	748	410	75	227	—102	—521	84·2	92·1
3rd quarter	98	100	157	228	203	221	374	49	— 37	— 24	89·9	95·3
4th quarter	99	100	76	272	395	219	—186	145	— 53	—346	90·4	94·3
1969 1st quarter	100	100	— 92	254	128	240	— 66	217	+ 19	+272	91·0	94·0
2nd quarter	101	99	—162	—187	—293	—195	—204	— 80	+ 96	+ 82	96·0	96·6
3rd quarter	101	100	— 4	166	25	162	—307	236	+165	— 47	102·0	96·1
4th quarter	100	100	257	270	— 6	155	209	57	+171	+436	101·3	94·9
1970 1st quarter	101	100	68	127	—259	71	94	286	+256	+915	100·2	95·9
2nd quarter	100	102	313	573	472	535	172	366	+137	+227	99·5	101·3
3rd quarter	101	101	97	410	527	323	163	188	+ 85	—202	94·8	97·9
4th quarter	100	101	319	456	283	399	567	— 31	+219	+347	105·5	104·9
1971 1st quarter	102	102	424	566	80	463	234	230	+147	+973	99·8	103·8
2nd quarter	100	100	104	313	32	291	295	55	+290	+634	111·7	104·6
3rd quarter	98	101	329	473	337	419	432	603	+381	+668	113·4	103·9
4th quarter	98	101	179	1,033	714	992	758	756	+249	+953	111·3	107·1
1972 1st quarter	98	99	418	964	1,092	826	—466	1,436	+ 71	+ 57	109·4	112·8
2nd quarter	96	95	452	1,532	2,147	1,407	—697	1,565	+112	—1,045	113·7	113·9
3rd quarter	96	93	162	1,031	1,324	936	— 45	1,007	—116	— 79	99·7(4)	110·9(4)
4th quarter	94	90	471	1,772	2,320	1,635	182	1,503	+ 2	—198	122·7	126·9
1973 1st quarter	91	87	51	1,503	1,686	1,365	369	1,236	—186	+ 69	122·6	131·2
2nd quarter	93	89	749	1,243	1,238	1,114	461	887	—196	+377	126·3	131·5
3rd quarter	93	88	—325	2,324	2,907	2,320	341	1,921	—357	—258	129·3	135·7
4th quarter	95	90	247	2,187	2,916	2,019	690	1,482	—729	+ 22	125·8	141·0

(1) An article on the definitions of money stock was published in the March 1972 issue of *Economic Trends*.
(2) *Overseas Trade Statistics* basis.
(3) Excluding foreign currencies.
(4) Affected by the dock strike.
n.s.a.=not seasonally adjusted.

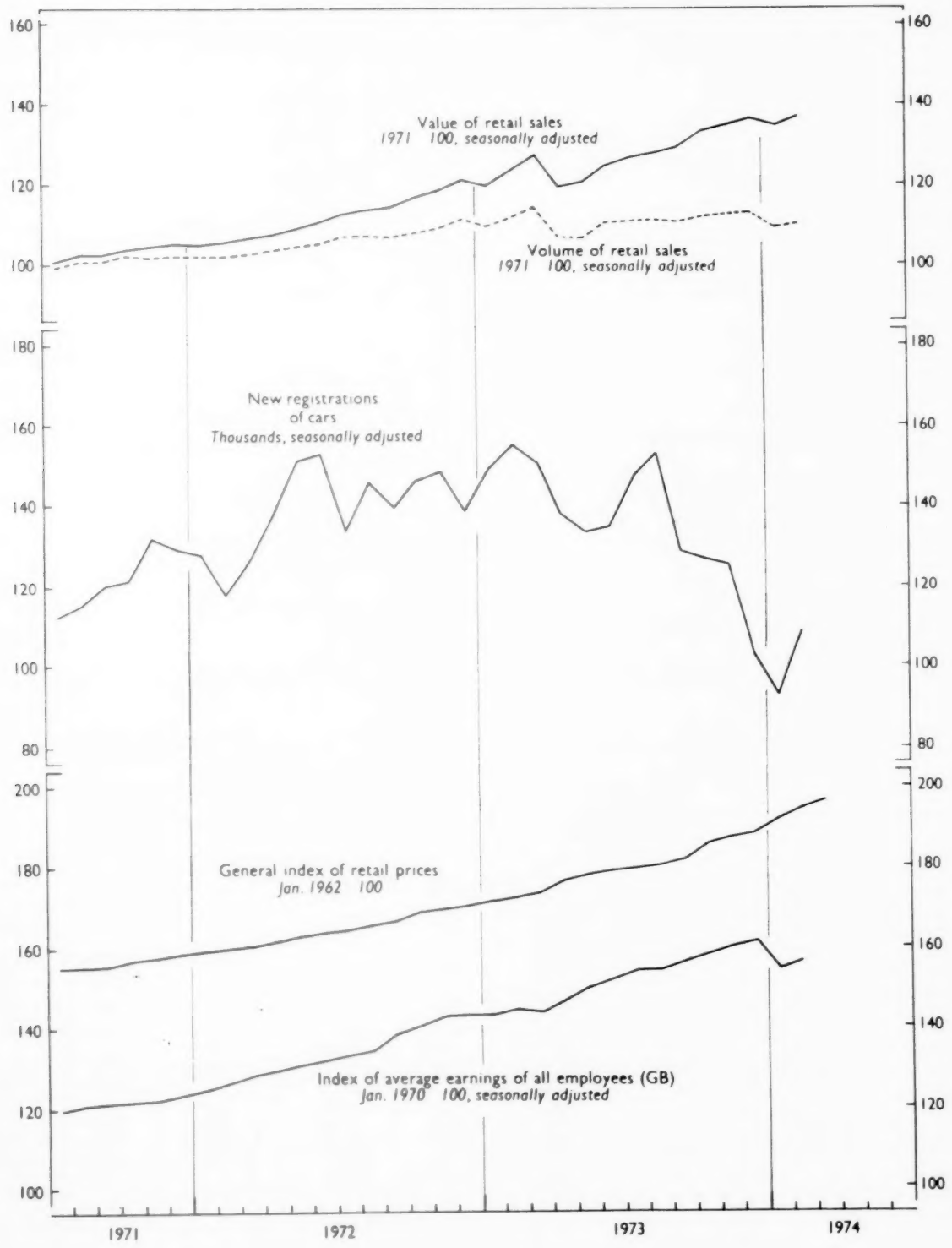
Latest developments

The charts in this section show key monthly indicators on a larger time scale than that used for the longer periods covered in other sections.

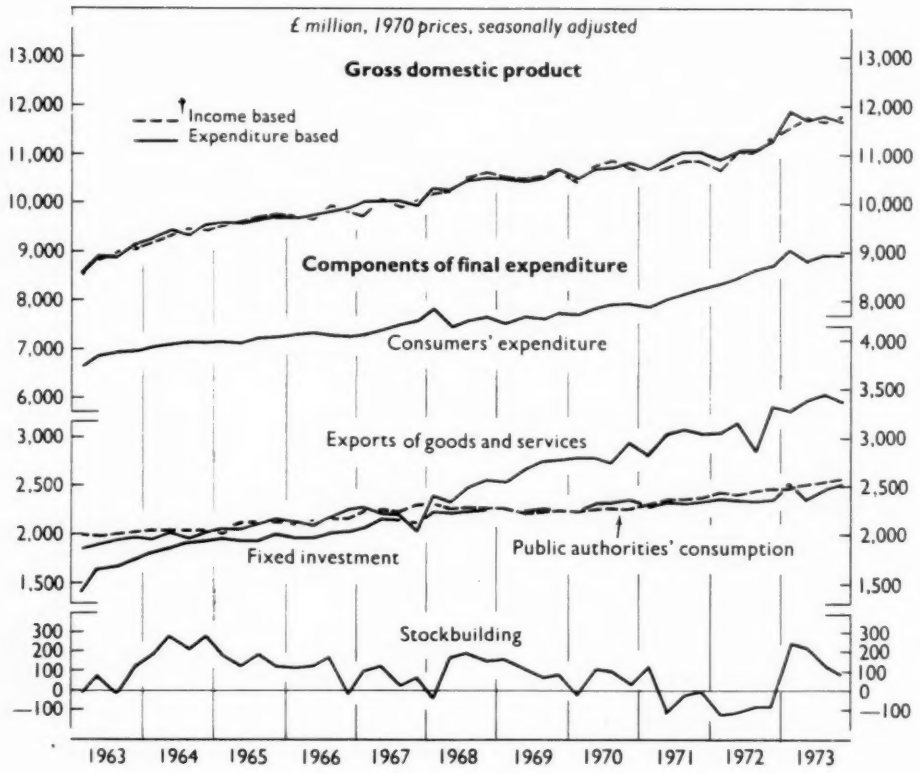


(1) *Overseas Trade Statistics* basis, before adjustment for recording of exports.

Latest developments



Gross domestic product and components of final expenditure



Gross domestic product is a measure of the aggregate output of the economy. When estimated from expenditure data it equals the sum of consumers' expenditure, exports, fixed investment, public authorities' consumption and stockbuilding, *less* imports (the products of other countries) and an adjustment to exclude taxes on expenditure and include subsidies. Gross domestic product at factor cost can also be estimated from output or from income data.

£ million, 1970 prices, seasonally adjusted

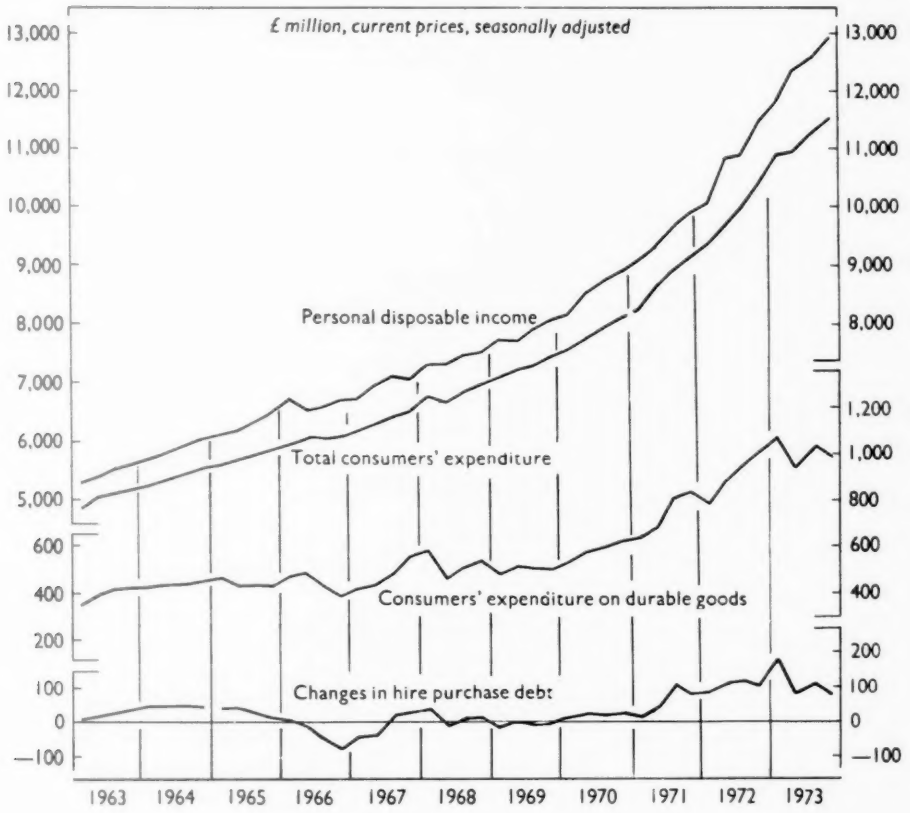
	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices						Imports of goods and services §
		Total	Consumers' expenditure	Public authorities' consumption	Fixed investment	Stockbuilding	Exports of goods and services §	
1970 1st quarter ..	10,521	14,970	7,715	2,237	2,236	— 21	2,803	2,602
2nd quarter ..	10,709	15,349	7,836	2,273	2,317	125	2,798	2,760
3rd quarter ..	10,747	15,362	7,923	2,290	2,318	106	2,725	2,697
4th quarter ..	10,858	15,558	7,930	2,295	2,352	47	2,934	2,813
1971 1st quarter ..	10,718	15,431	7,873	2,310	2,299	114	2,835	2,819
2nd quarter ..	10,860	15,656	8,014	2,334	2,332	—103	3,079	2,870
3rd quarter ..	11,058	15,883	8,133	2,355	2,318	— 18	3,095	2,829
4th quarter ..	11,061	15,972	8,234	2,367	2,320	—	3,051	2,874
1972 1st quarter ..	10,941	16,059	8,346	2,420	2,369	—131	3,055	3,053
2nd quarter ..	11,075	16,303	8,479	2,404	2,358	—100	3,162	3,091
3rd quarter ..	11,062	16,169	8,607	2,443	2,346	— 83	2,856	3,007
4th quarter ..	11,254	16,786	8,739	2,464	2,356	— 80	3,307	3,361
1973 1st quarter ..	11,839	17,528	9,017	2,481	2,506	247	3,277	3,440
2nd quarter ..	11,661	17,301	8,832	2,510	2,358	209	3,392	3,410
3rd quarter ..	11,791	17,503	8,923	2,538	2,469	135	3,438	3,487
4th quarter ..	11,634	17,455	8,923	2,566	2,505	92	3,369	3,566
1974 1st quarter(')			(8,780)					
2nd quarter ..								
3rd quarter ..								
4th quarter ..								

† Income data deflated by the price index implied by estimates based on expenditure data.

(') The figure in brackets is a preliminary estimate and is partially forecast, being based on incomplete data. At this stage, estimates of the latest quarterly changes are expected to differ on average by about £35 million from the quarterly estimates subsequently published in the national income and expenditure article.

Personal disposable income, spending and borrowing

The monetary resources at the disposal of consumers consist of their disposable income *plus* their borrowing e.g. through increases in hire purchase debt. Much of this borrowing is for the purchase of consumer durables.

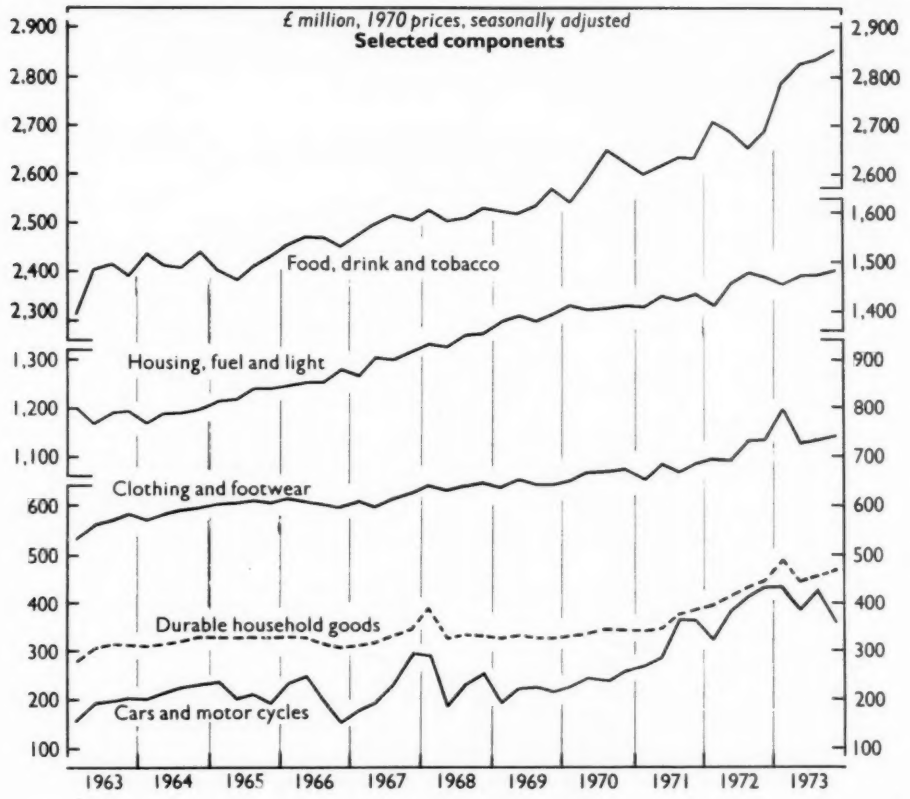


£ million, current prices, seasonally adjusted

	Personal disposable income	Consumers' expenditure		Changes in hire purchase and other instalment debt (²)
		Total	Durable goods(¹)	
1969 1st quarter	7,745	7,052	481	— 16
2nd quarter	7,731	7,207	520	+ 1
3rd quarter	7,906	7,268	518	— 3
4th quarter	8,085	7,441	515	— 2
1970 1st quarter	8,160	7,555	535	+ 10
2nd quarter	8,546	7,772	573	+ 24
3rd quarter	8,756	7,957	591	+ 20
4th quarter	8,913	8,120	623	+ 30
1971 1st quarter	9,092	8,248	639	+ 13
2nd quarter	9,372	8,630	684	+ 37
3rd quarter	9,666	8,920	806	+107
4th quarter	9,916	9,102	814	+ 83
1972 1st quarter	10,074	9,360	782	+ 87
2nd quarter	10,827	9,673	878	+108
3rd quarter	10,894	9,998	949	+123
4th quarter	11,498	10,411	1,007	+106
1973 1st quarter	11,824	10,932	1,063	+176
2nd quarter	12,367	10,942	948	+ 80
3rd quarter	12,571	11,296	1,039	+109
4th quarter	12,948	11,564	994	+ 73

(¹) Cars, motor cycles and durable household goods. (²) See footnote (²) on page 4.

Consumers' expenditure

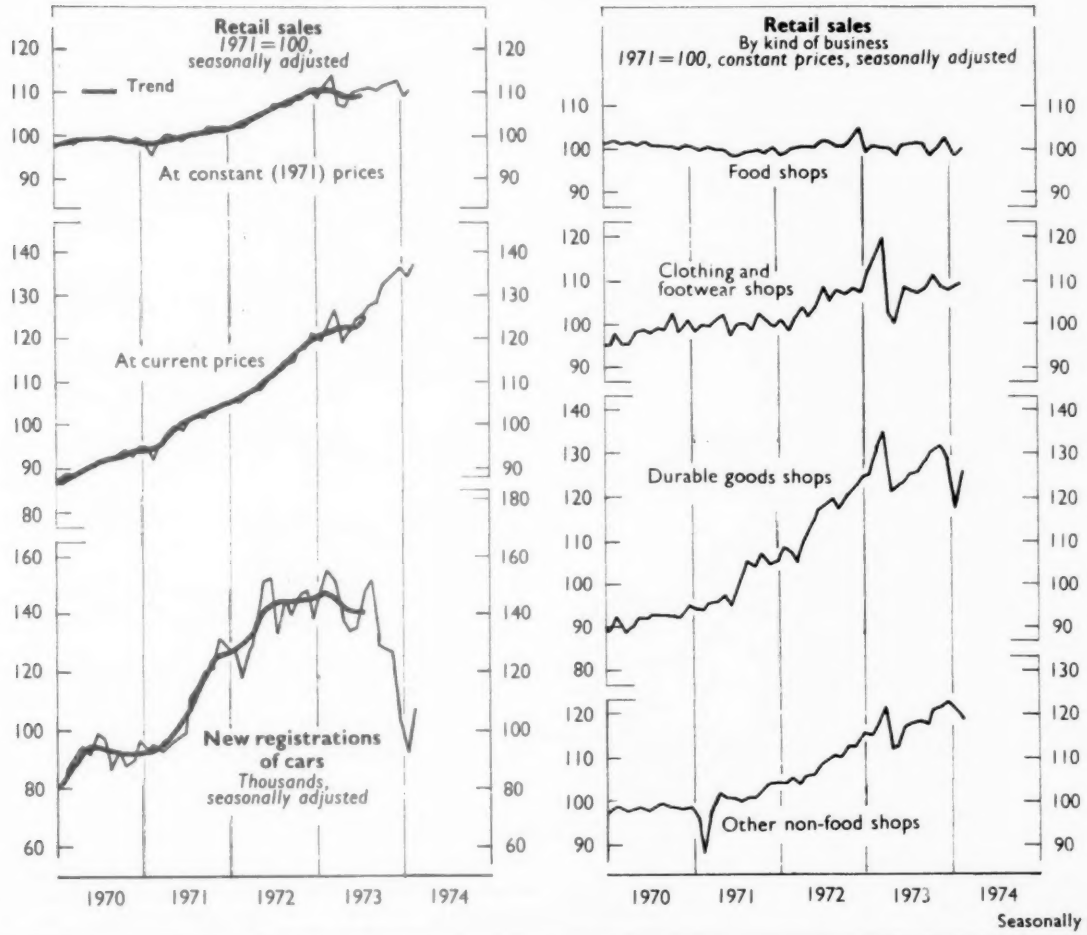


£ million, 1970 prices, seasonally adjusted

	Food, drink and tobacco	Housing, fuel and light	Clothing, including footwear	Durable household goods	Cars and motor cycles
1969 1st quarter	2,523	1,379	639	326	192
2nd quarter	2,520	1,389	652	334	221
3rd quarter	2,536	1,379	643	327	223
4th quarter	2,566	1,396	643	326	219
1970 1st quarter	2,540	1,410	653	331	227
2nd quarter	2,587	1,402	666	336	244
3rd quarter	2,647	1,405	670	344	239
4th quarter	2,622	1,411	677	342	259
1971 1st quarter	2,600	1,407	653	340	268
2nd quarter	2,620	1,429	681	347	288
3rd quarter	2,635	1,420	668	378	363
4th quarter	2,634	1,433	682	384	362
1972 1st quarter	2,711	1,414	697	396	324
2nd quarter	2,686	1,454	692	415	381
3rd quarter	2,656	1,473	732	433	417
4th quarter	2,689	1,466	735	445	437
1973 1st quarter	2,788	1,459	797	488	438
2nd quarter	2,826	1,470	727	442	384
3rd quarter	2,837	1,472	735	458	427
4th quarter	2,857	1,480	741	469	360

Retail sales, new registrations of cars (Great Britain)

Retail sales cover about half of consumers' expenditure; purchases of new cars are a relatively small but volatile element in expenditure.

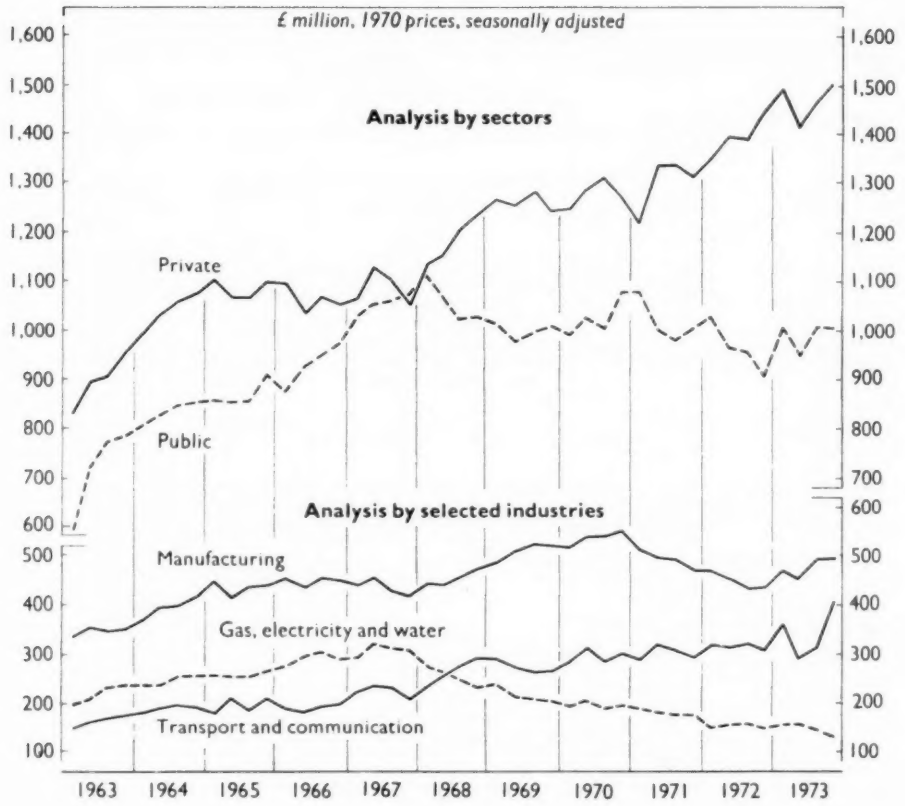


Seasonally adjusted

	Index numbers of retail sales Weekly average 1971=100						New registrations of cars §
	Total § (1)	Food shops § (1)	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	Total § (1)	
	At constant prices					At current prices	Thousands
Estimated sales in 1971 (£ million)	*15,895*	*6,693*	*2,314*	*1,801*	*5,087*	*15,895*	
1971 1st quarter	97·8	100·5	99	95	95	94·5	282
2nd quarter	99·7	99·8	100	96	101	99·2	290
3rd quarter	100·5	99·6	100	104	101	101·7	348
4th quarter	102·1	100·2	101	106	104	104·6	382
1972 1st quarter	102·1	99·7	100	107	104	106·0	372
2nd quarter	104·6	101·0	104	114	107	109·1	440
3rd quarter	107·2	101·9	108	118	110	113·9	419
4th quarter	109·5	103·3	107	122	114	118·9	433
1973 1st quarter	111·8	100·5	116	131	118	123·6	455
2nd quarter	108·0	100·5	104	122	115	121·7	407
3rd quarter	110·5	101·6	108	127	118	127·6	429
4th quarter	112·3	101·4	109	130	122	134·7	356
1974 January	109·5	99·3	109	118	120	134·8	93
February	110·5	100·1	109	126	119	136·9	109
March ..							

(1) These indices are given to one decimal place, but this does not imply that they can be regarded as accurate to the last digit shown.

Fixed investment



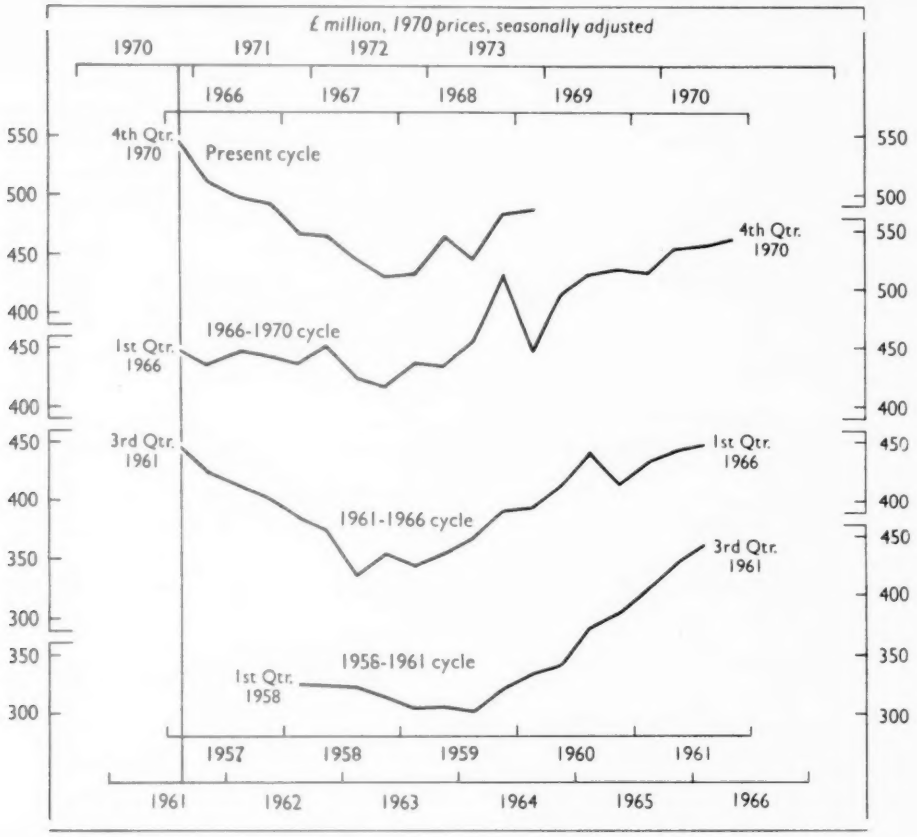
The investment cycle occurs mainly in manufacturing industry.

£ million, 1970 prices, seasonally adjusted

	Sectors		Selected industries		
	Private	Public	Manufacturing §	Gas, electricity and water	Transport and communication
1969 1st quarter	1,263	1,016	481	240	289
2nd quarter	1,257	978	504	216	272
3rd quarter	1,281	999	520	208	263
4th quarter	1,242	1,006	519	205	267
1970 1st quarter	1,246	990	515	198	281
2nd quarter	1,290	1,027	534	201	311
3rd quarter	1,315	1,003	538	186	287
4th quarter	1,273	1,079	542	198	301
1971 1st quarter	1,220	1,079	511	186	291
2nd quarter	1,331	1,001	498	180	321
3rd quarter	1,337	981	491	178	308
4th quarter	1,312	1,008	468	177	294
1972 1st quarter	1,344	1,025	466	150	320
2nd quarter	1,396	962	447	157	318
3rd quarter	1,389	957	430	156	321
4th quarter	1,449	907	432	145	309
1973 1st quarter	1,499	1,007	465	153	360
2nd quarter	1,412	946	448	156	290
3rd quarter	1,462	1,007	485	141	312
4th quarter	1,503	1,002	489	127	401

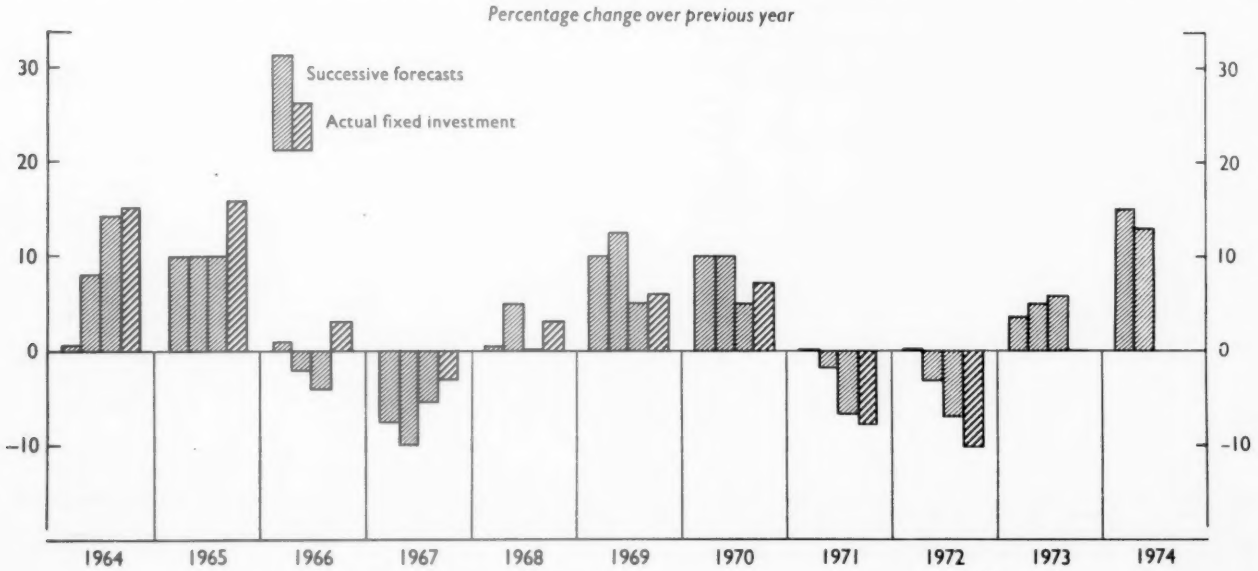
Fixed investment

Present and previous cycles of fixed investment in manufacturing industry

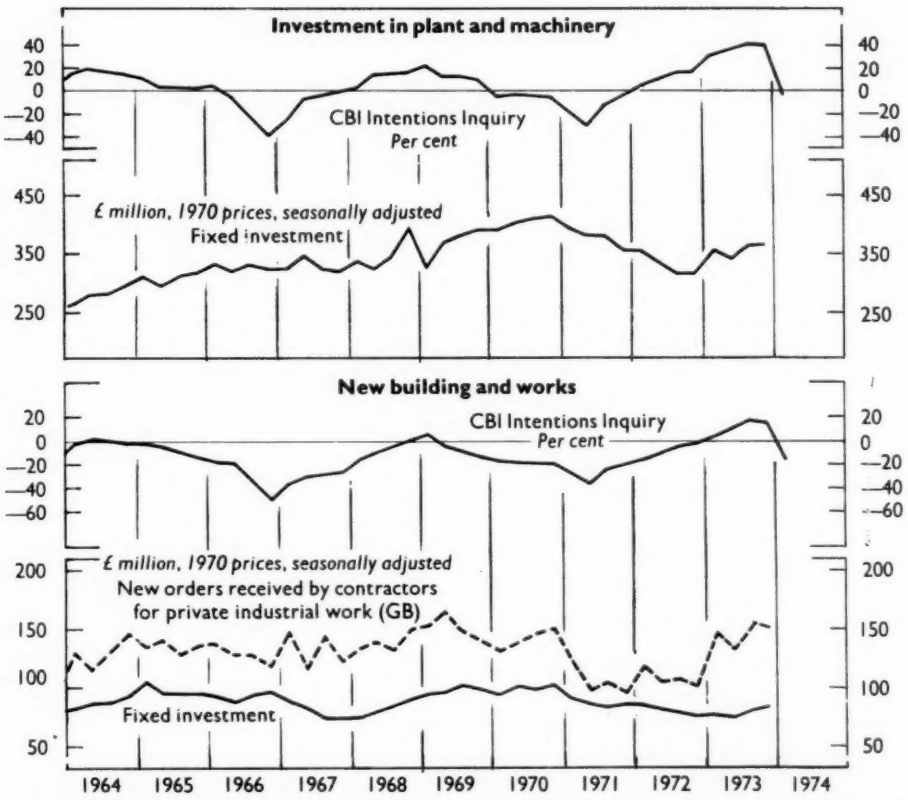


Department of Industry inquiry into investment intentions in manufacturing industry

For each year there have usually been three successive forecasts: the first in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. Changes for the years before 1966 are in terms of current prices; those for later years are expressed in volume terms, after making an approximate allowance for price changes.



Other forward-looking indicators of fixed investment by manufacturing industry

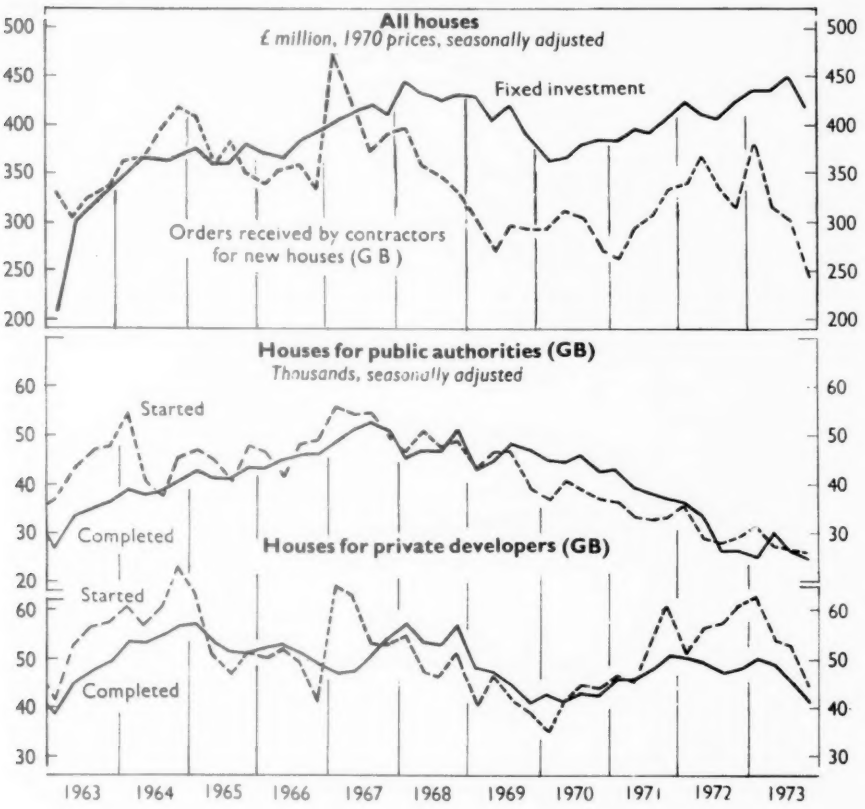


Turning points in the CBI Intentions Inquiry and in the value of orders received by contractors for private industrial work anticipate turning points in fixed investment.

	Plant and machinery in manufacturing industry		New building and works in manufacturing industry		New orders received by contractors for private industrial work (GB)
	CBI Intentions Inquiry	Fixed investment	CBI Intentions Inquiry	Fixed investment	
	Per cent (1)	£ million, 1970 prices, seasonally adjusted	Per cent (1)	£ million, 1970 prices, seasonally adjusted	
1970 1st quarter	— 5	391·6	—18	93·8	130
2nd quarter	— 3	404·9	—20	100·0	138
3rd quarter	..	410·5	..	98·4	145
4th quarter	— 8	412·4	—21	101·2	150
1971 1st quarter	(2)	393·9	(2)	90·4	121
2nd quarter	—31	384·4	—37	86·8	98
3rd quarter	—13	381·9	—25	82·4	104
4th quarter	..	355·0	..	85·1	96
1972 1st quarter	3	353·7	—17	83·4	119
2nd quarter	9	335·3	—11	81·0	104
3rd quarter	16	318·3	— 4	79·2	107
4th quarter	17	319·9	— 2	75·3	100
1973 1st quarter	30	353·6	4	77·3	147
2nd quarter	35	342·8	11	73·6	131
3rd quarter	39	367·5	18	81·9	158
4th quarter	38	367·7	16	83·4(3)	151(3)
1974 1st quarter	— 3		—15		
2nd quarter					
3rd quarter					
4th quarter					

(1) Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
Figures relate to Inquiries in February, June and October of each year until 1972, when they are held in the first month of each quarter.
(2) No Inquiry was held in February 1971 because of the postal strike.
(3) Provisional.

Forward-looking indicators of fixed investment in dwellings

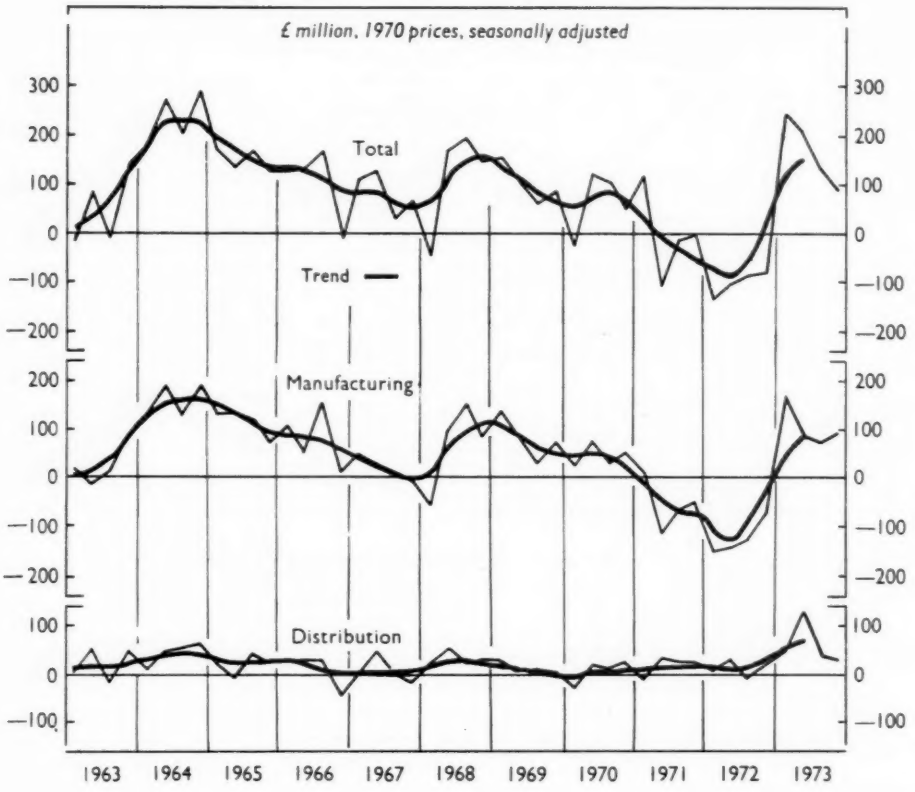


Seasonally adjusted

	Orders received by contractors for new houses (GB)	Fixed investment in dwellings	Houses for public authorities (GB) §		Houses for private developers (GB) §	
			Started	Completed	Started	Completed
	£ million, 1970 prices		Thousands			
1969 1st quarter	303	430	43·8	43·6	40·3	48·0
2nd quarter	268	407	46·8	45·5	47·0	47·3
3rd quarter	296	421	47·1	48·5	41·2	44·8
4th quarter	293	390	38·9	47·5	38·3	41·6
1970 1st quarter	291	366	36·2	45·7	35·0	42·6
2nd quarter	308	369	40·5	45·2	41·9	41·2
3rd quarter	302	382	40·0	46·3	44·2	43·7
4th quarter	270	386	37·4	42·9	44·0	42·8
1971 1st quarter	260	385	36·4	43·6	46·5	46·0
2nd quarter	294	397	33·4	39·5	45·8	46·0
3rd quarter	308	392	33·1	38·3	53·8	48·5
4th quarter	334	407	33·7	37·5	61·2	51·1
1972 1st quarter	340	426	36·0	36·4	51·9	50·5
2nd quarter	368	410	28·9	33·5	57·0	49·8
3rd quarter	334	406	28·2	26·4	57·4	47·9
4th quarter	314	427	29·9	26·5	61·1	48·1
1973 1st quarter	381	436	31·6	25·5	62·8	50·7
2nd quarter	317	436	27·5	30·2	54·9	48·7
3rd quarter	300	449	27·2	26·8	53·0	45·0
4th quarter	242(1)	417	26·5	25·0	44·2	41·7

(1) Provisional.

Stock changes



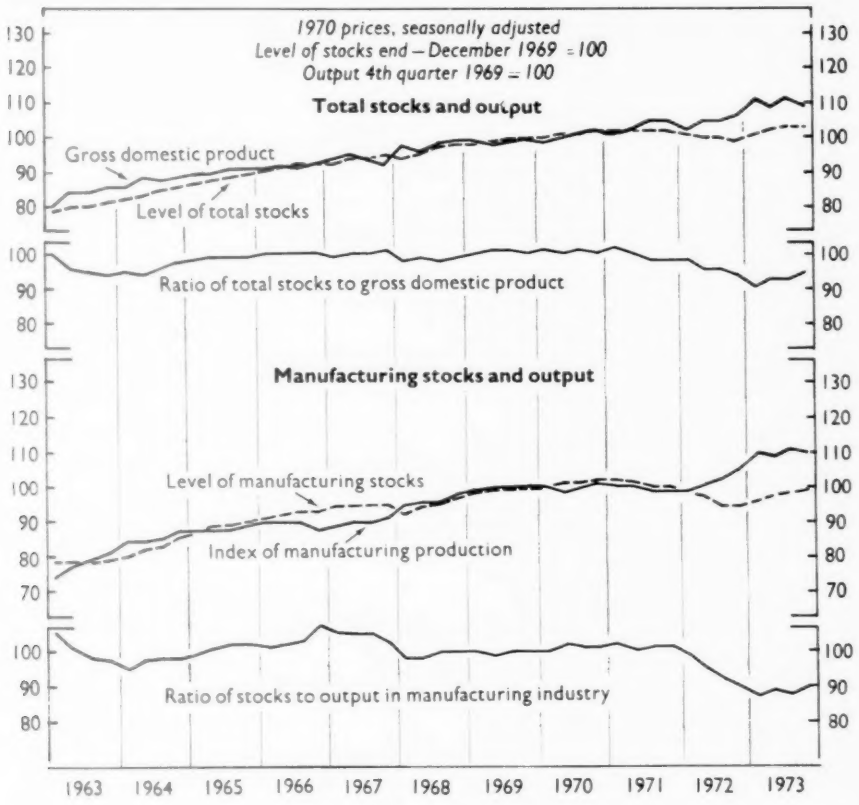
Stock changes are the value of physical increase or decrease of stocks and work in progress at constant prices, for the whole economy, for manufacturing and for wholesale and retail distribution.

£ million, 1970 prices, seasonally adjusted

	Total §	Manufacturing §	Distribution
1969 1st quarter	157	140	34
2nd quarter	107	83	6
3rd quarter	70	24	12
4th quarter	85	73	3
1970 1st quarter	— 21	22	—26
2nd quarter	125	76	20
3rd quarter	106	26	13
4th quarter	47	51	23
1971 1st quarter	114	10	— 8
2nd quarter	—103	—113	33
3rd quarter	— 18	— 68	24
4th quarter	—	— 47	24
1972 1st quarter	—131	—156	6
2nd quarter	—100	—145	28
3rd quarter	— 83	—125	— 4
4th quarter	— 80	— 72	20
1973 1st quarter	247	168	49
2nd quarter	209	87	138
3rd quarter	135	79	40
4th quarter	92	98	34

Relationship of stocks and output (stock/output ratios)

The level of stocks rises broadly with the level of output but the stock cycle lags behind the output cycle; the ratio of stocks to output therefore fluctuates: stocks are sometimes high in relation to output, sometimes low.

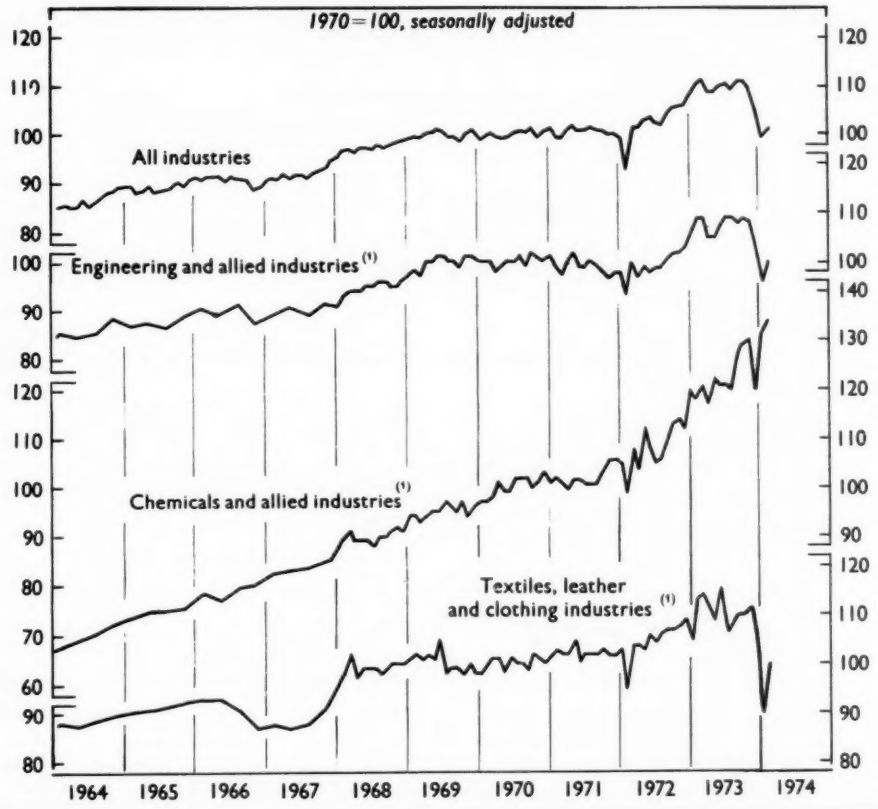


1970 prices, seasonally adjusted { Level of stocks end-Dec. 1969 = 100 / Output 4th quarter 1969 = 100

	Level of total stocks	Gross domestic product (1)	Ratio of total stocks to gross domestic product	Level of manufacturing stocks	Index of manufacturing production	Ratio of stocks to output in manufacturing industry
1969 1st quarter	98	99	100	98	98	100
2nd quarter	99	98	101	99	100	99
3rd quarter	100	99	101	99	100	100
4th quarter	100	100	100	100	100	100
1970 1st quarter	100	99	101	100	100	100
2nd quarter	101	100	100	101	99	102
3rd quarter	101	101	101	101	100	101
4th quarter	102	102	100	102	101	101
1971 1st quarter	102	101	102	102	100	102
2nd quarter	102	102	100	101	100	100
3rd quarter	102	104	98	100	99	101
4th quarter	102	104	98	100	99	101
1972 1st quarter	101	103	98	98	99	99
2nd quarter	100	104	96	97	101	95
3rd quarter	100	104	96	95	102	93
4th quarter	99	106	94	95	105	90
1973 1st quarter	101	111	91	96	110	87
2nd quarter	102	109	93	97	109	89
3rd quarter	103	111	93	98	111	88
4th quarter	103	109	95	99	110	90

(1) Based on expenditure data.

Index of industrial production



The index of industrial production covers about half of the gross domestic product.

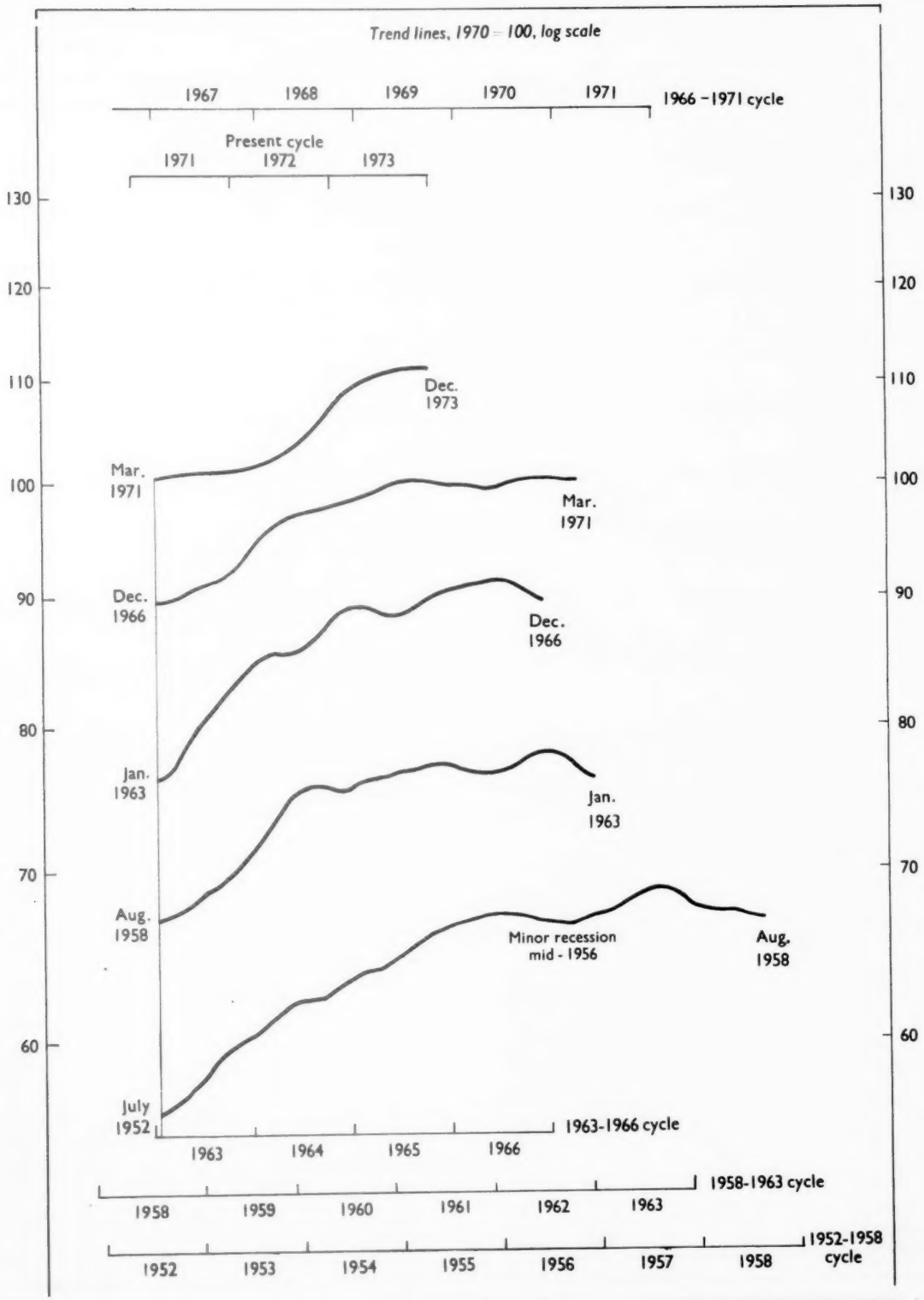
1970 = 100, seasonally adjusted

		All industries §	Manufacturing industries §		
			Engineering and allied industries	Chemicals and allied industries	Textiles, leather and clothing industries
	Weights	*1,000*	*319*	*58*	*76*
1972	January	99·8	98	105	103
	February	93·3	93	99	95
	March	101·4	100	108	104
	April	101·5	97	104	104
	May	103·0	99	112	103
	June	103·5	98	108	106
	July	102·2	99	105	105
	August	102·0	99	106	106
	September	104·4	101	111	107
	October	105·4	102	113	107
	November	105·9	102	114	108
	December	106·0	103	112	109
1973	January	108·5	106	120	105
	February	110·6	109	118	113
	March	111·6	109	121	114
	April	109·0	105	117	112
	May	108·9	105	122	109
	June	110·0	107	121	115
	July	110·3	109	121	107
	August	109·7	109	120	108
	September	110·8	108	127	110
	October	110·8	109	129	110
	November	109·8	108	130	111
	December	105·9	104	120	106
1974	January	99·4	96	131	90
	February	101·2	100	134	100
	March	..	..	..	..

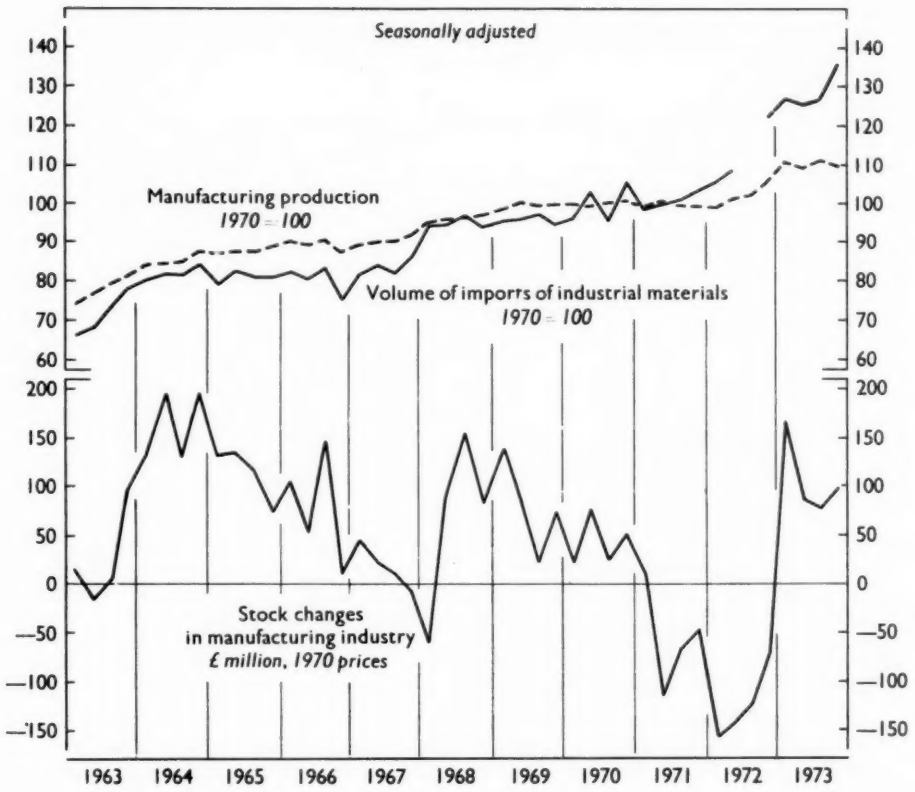
(1) Quarterly data only before 1968.

Cycles of industrial production

This chart shows cycles in the index of production (all industries).



Changes in stocks, manufacturing production and imports of industrial materials



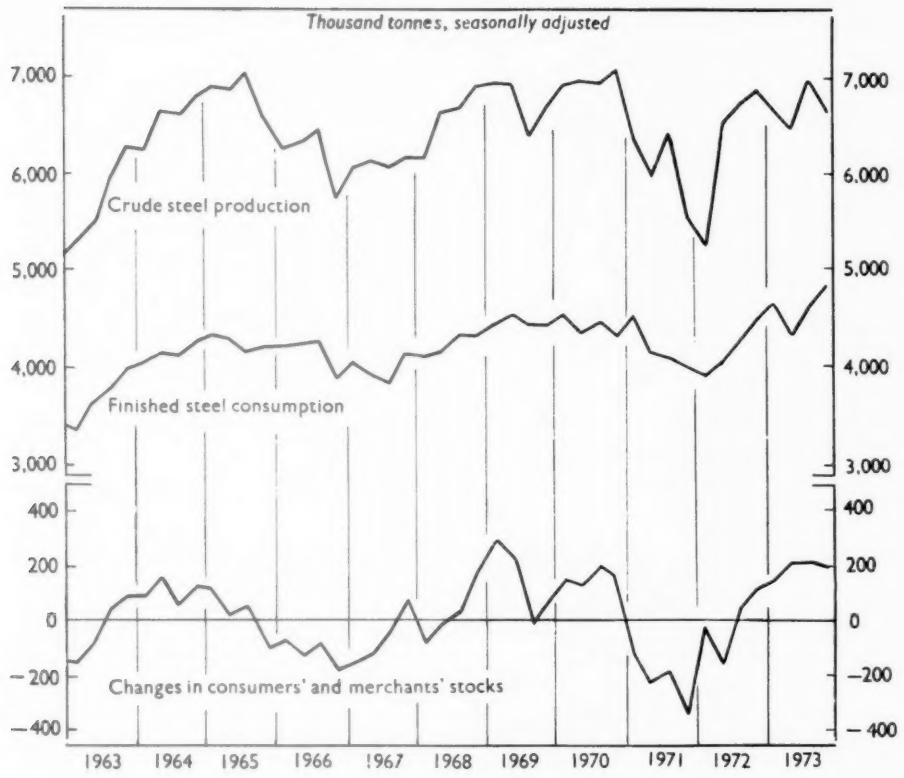
Imports of industrial materials rise or fall with rising or falling manufacturing production and stockbuilding.

Seasonally adjusted

	Volume of imports of industrial materials (1)	Manufacturing industry	
		Production	Stock changes
	1970 = 100		£ million, 1970 prices
1969 1st quarter	95	98	140
2nd quarter	96	100	83
3rd quarter	97	100	24
4th quarter	95	100	73
1970 1st quarter	96	100	22
2nd quarter	103	99	76
3rd quarter	95	100	26
4th quarter	106	101	51
1971 1st quarter	98	100	10
2nd quarter	100	100	—113
3rd quarter	100	99	— 68
4th quarter	104	99	— 47
1972 1st quarter	106	99	—156
2nd quarter	109	101	—145
3rd quarter	(2)	102	—125
4th quarter	122	105	— 72
1973 1st quarter	127	110	168
2nd quarter	126	109	87
3rd quarter	127	111	79
4th quarter	136	110	98

(1) Basic materials and semi-finished manufactures. (2) Not available, affected by the dock strike.

Steel

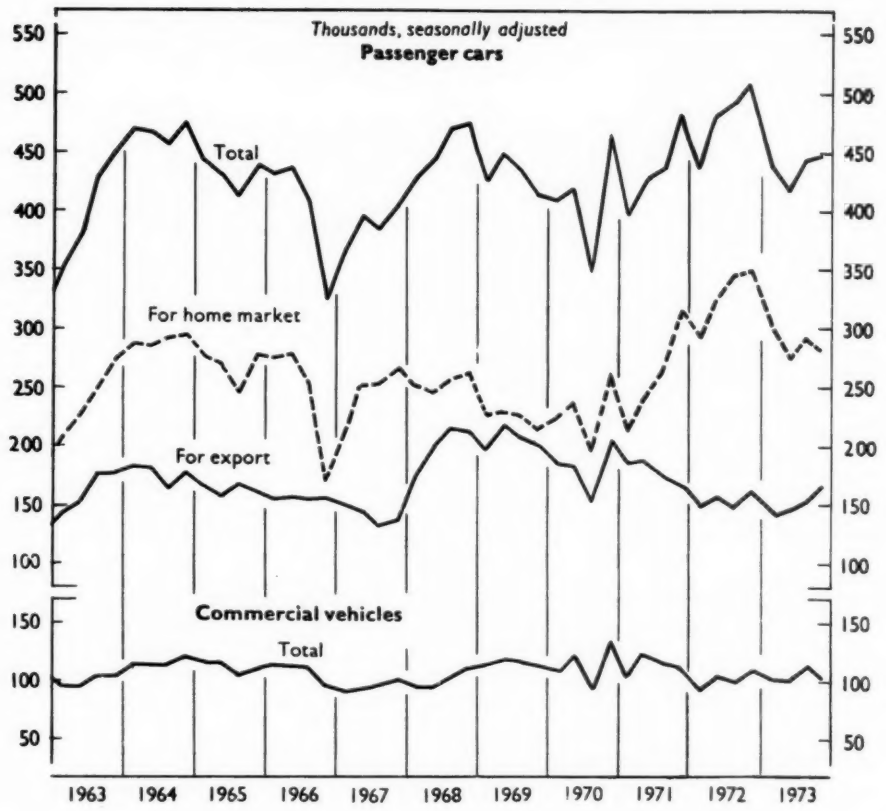


Thousand tonnes, seasonally adjusted

	Crude steel production §	Finished steel consumption(1)	Changes in consumers' and merchants' stocks(1)
1969 1st quarter	6,917	4,434	+271
2nd quarter	6,912	4,525	+206
3rd quarter	6,375	4,419	— 16
4th quarter	6,669	4,404	+ 67
1970 1st quarter	6,911	4,514	+142
2nd quarter	6,949	4,364	+123
3rd quarter	6,918	4,463	+193
4th quarter	7,091	4,296	+166
1971 1st quarter	6,325	4,520	—118
2nd quarter	5,976	4,158	—214
3rd quarter	6,412	4,067	—180
4th quarter	5,560	3,977	—327
1972 1st quarter	5,228	3,933	— 27
2nd quarter	6,520	4,043	—145
3rd quarter	6,731	4,275	+ 36
4th quarter	6,875	4,499	+116
1973 1st quarter	6,674	4,668	+135
2nd quarter	6,418	4,369	+205
3rd quarter(2)	6,963	4,640	+210
4th quarter(2)	6,649	4,837	+190

(1) From 1st quarter 1971 includes welded tubes, over 400mm internal diameter, previously excluded.
(2) Provisional.

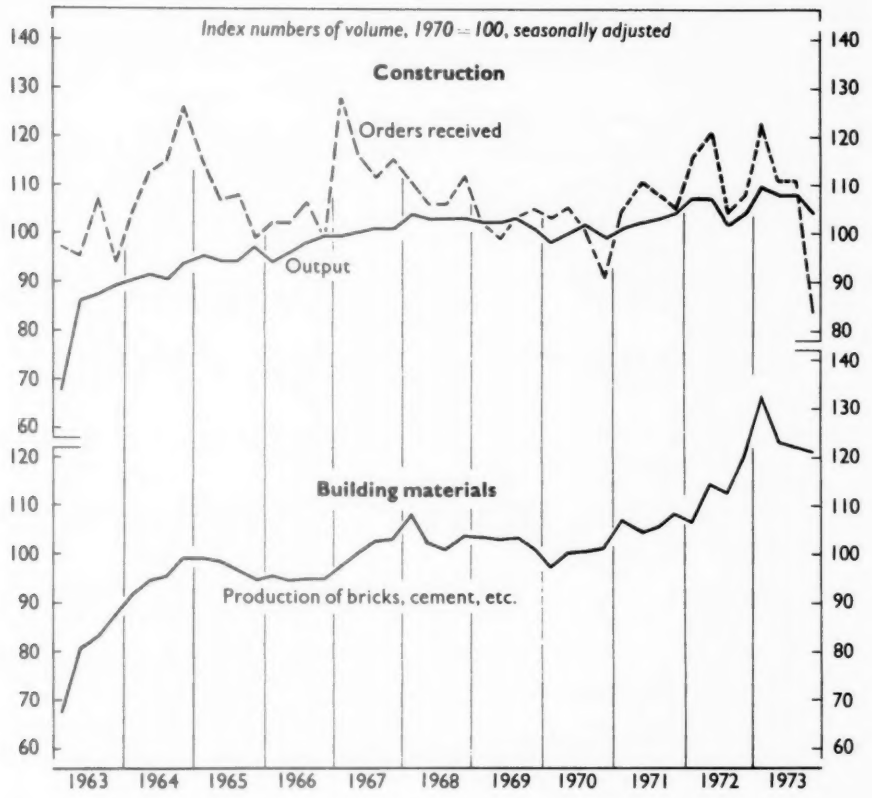
Motor vehicle production



Thousands, seasonally adjusted

	Passenger cars			Commercial vehicles §
	Total	For home market §	For export §	Total
1969 1st quarter	423·6	226·2	197·4	114·4
2nd quarter	447·9	229·2	218·7	119·4
3rd quarter	433·8	225·6	208·2	119·0
4th quarter	411·7	211·7	200·0	112·9
1970 1st quarter	407·8	223·2	184·6	109·1
2nd quarter	418·8	236·3	182·5	121·0
3rd quarter	346·9	196·2	150·7	93·6
4th quarter	467·4	262·4	205·0	133·8
1971 1st quarter	395·2	210·8	184·4	101·1
2nd quarter	428·9	240·7	188·2	123·6
3rd quarter	436·6	262·0	174·6	117·5
4th quarter	481·2	313·9	167·3	113·9
1972 1st quarter	439·5	290·3	149·2	92·0
2nd quarter	480·5	323·6	156·9	104·0
3rd quarter	491·8	345·0	146·8	100·7
4th quarter	509·5	349·0	160·5	111·4
1973 1st quarter	437·7	297·5	140·2	102·1
2nd quarter	417·3	272·3	145·0	101·4
3rd quarter	444·4	292·3	152·1	112·5
4th quarter	447·9	280·1	167·8	100·7

Construction industry

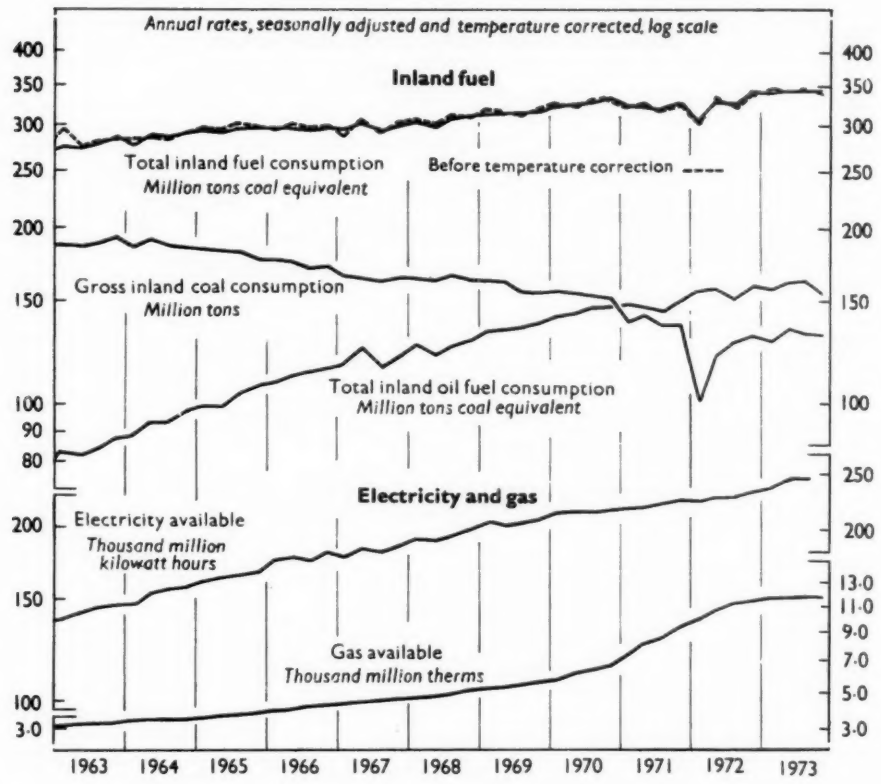


Index numbers of volume, 1970 = 100, seasonally adjusted

	Construction		Production of bricks, cement, etc.(1)
	Output(2) §	Orders received	
1969 1st quarter	102	102	104
2nd quarter	102	99	103
3rd quarter	103	103	103
4th quarter	101	105	101
1970 1st quarter	98	103	98
2nd quarter	100	105	100
3rd quarter	102	101	101
4th quarter	99	91	101
1971 1st quarter	101	105	107
2nd quarter	102	111	105
3rd quarter	103	108	106
4th quarter	104	105	108
1972 1st quarter	107	116	107
2nd quarter	107	121	114
3rd quarter	102	104	112
4th quarter	104	108	121
1973 1st quarter	110	123	133
2nd quarter	108	111	124
3rd quarter	108	111	122
4th quarter	104	84(3)	121

(1) Index of industrial production series.
(2) Construction output figures include repair and maintenance, direct labour of public sector and estimates of unrecorded output by small firms and self-employed workers.
(3) Provisional.

Inland fuel and power consumption

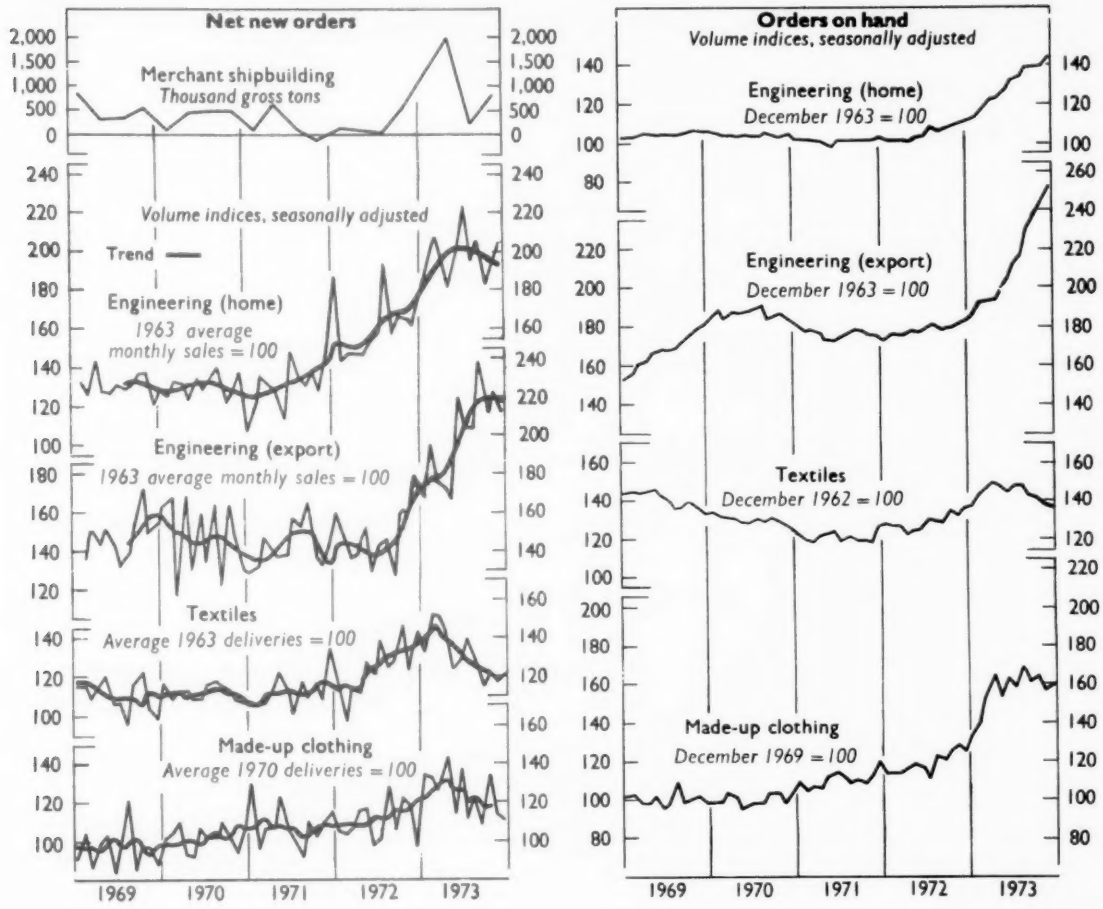


Annual rates, seasonally adjusted and temperature corrected

	Total inland fuel consumption (1)	Gross inland coal consumption	Total inland oil fuel consumption	Electricity available (2) (GB)	Gas available (3) (GB)
	Million tons coal equivalent	Million tons	Million tons coal equivalent	Th. million kilowatt hours	Thousand million therms
1969 1st quarter ..	312·1	162·6	132·7	207·1	5·19
2nd quarter ..	315·5	161·9	133·4	202·2	5·28
3rd quarter ..	315·3	157·3	134·1	203·1	5·46
4th quarter ..	318·5	156·6	138·2	208·6	5·66
1970 1st quarter ..	322·9	157·1	141·1	212·7	5·88
2nd quarter ..	325·6	154·9	143·5	213·4	6·17
3rd quarter ..	329·6	153·2	148·8	213·3	6·43
4th quarter ..	333·1	151·5	149·2	215·2	6·73
1971 1st quarter ..	324·3	140·3	149·3	217·0	7·33
2nd quarter ..	323·9	140·7	147·8	218·3	8·01
3rd quarter ..	319·9	137·6	144·3	220·1	8·52
4th quarter ..	329·5	137·6	150·9	223·3	9·15
1972 1st quarter ..	308·6	101·9	157·9	222·4	9·98
2nd quarter ..	330·7	122·2	159·0	227·8	10·70
3rd quarter ..	328·8	128·9	152·6	228·3	11·18
4th quarter ..	341·6	130·6	160·5	233·8	11·42
1973 1st quarter ..	340·6	129·6	158·8	237·8	11·51
2nd quarter ..	344·1	134·2	162·1	244·8	11·57
3rd quarter ..	343·2	132·0	162·7	243·5	11·62
4th quarter ..	343·9	131·1	154·9	..	11·66

(1) Includes consumption of nuclear energy. (2) The inclusion of Northern Ireland would add about 2% to the total. (3) The inclusion of Northern Ireland would add about 0·5% to the total.

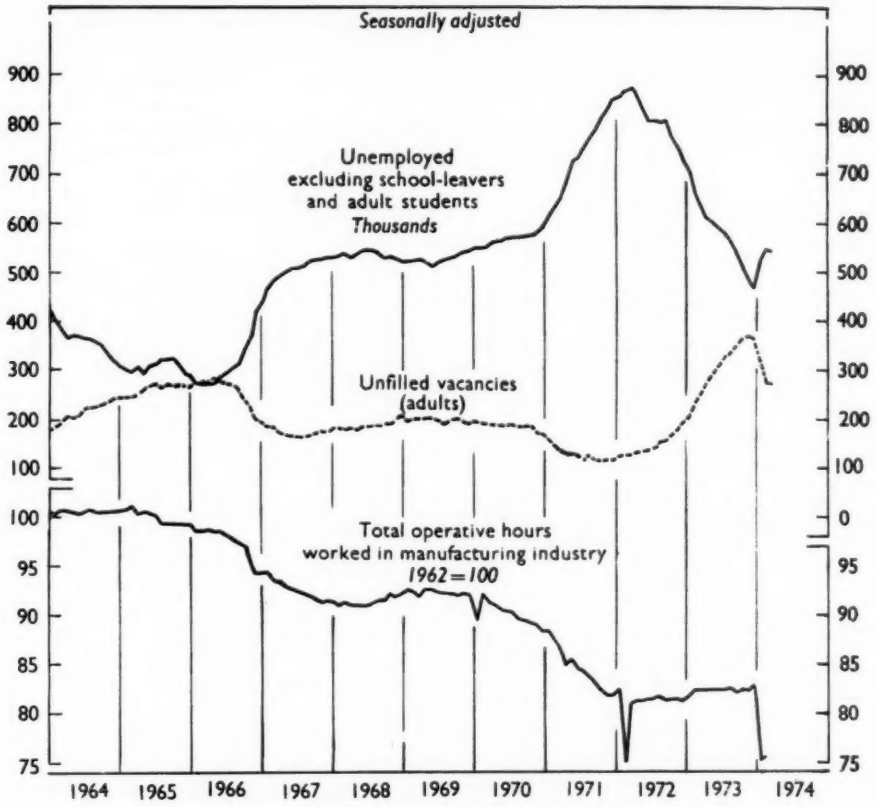
Orders: selected manufacturing industries



	Engineering industries (1)				Textiles industry		Made-up clothing industry		Merchant shipbuilding
	Home market		Export						
	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Net new orders
	Dec.1963=100	1963 average monthly sales=100	Dec.1963=100	1963 average monthly sales=100	Dec.1962=100	Average 1963 deliveries=100	Dec.1969=100	Average 1970 deliveries=100	Thousand gross tons
	Seasonally adjusted								
1971 1st qtr. ..	101	122	178	134	118	106	107	110	98
2nd qtr...	98	125	173	137	124	116	115	111	622
3rd qtr...	101	140	178	156	120	110	110	101	141
4th qtr...	102	139	175	137	126	120	119	109	—101
1972 1st qtr. ..	101	160	176	147	125	110	113	105	143
2nd qtr...	103	149	177	140	124	120	116	110	72
3rd qtr...	107	170	178	139	128	131	120	112	22
4th qtr...	110	165	184	168	135	138	125	113	585
1973 1st qtr. ..	118	191	191	179	145	146	153	131	1,293
2nd qtr...	126	192	204	185	145	132	163	131	1,992
3rd qtr...	138	207	230	214	143	127	161	114	243
4th qtr...	144	193	251	214	135	120	159	120	829
October..	139	184	236	211	141	121	163	134	
November	139	191	243	220	139	117	156	115	
December	144	205	251	211	135	121	159	112	

(1) Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).

Unemployment and unfilled vacancies, hours worked
Great Britain

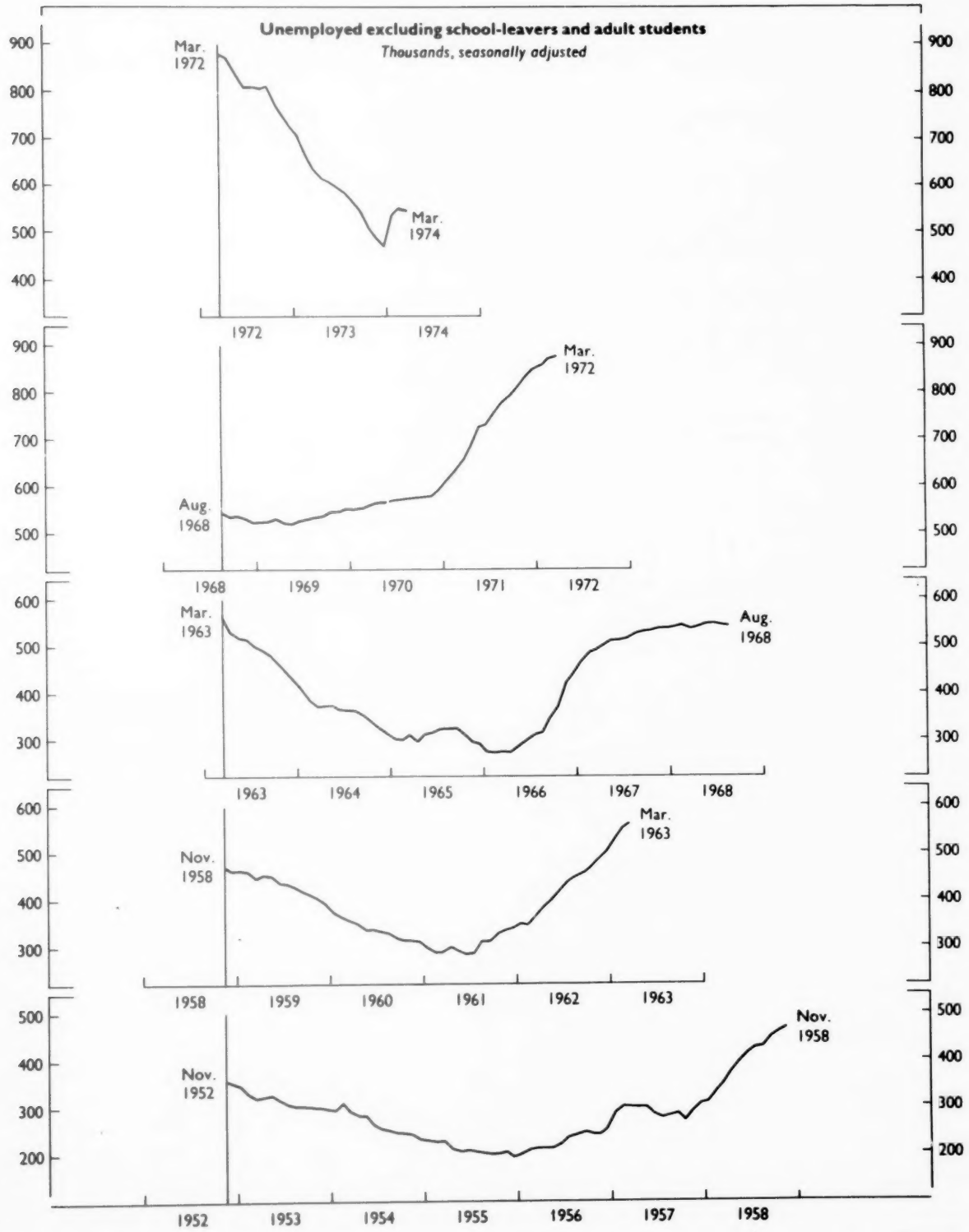


	Unemployed excluding school-leavers and adult students			Unfilled vacancies § (adults)		Total operative hours worked in manufacturing industry
	Total §		Production industries			
	Actual	Seasonally adjusted	Actual	Actual	Seasonally adjusted	1962=100 Seasonally adjusted
	Thousands					
1972 January	917	858	504	103	121	82·5
February	917	869	502	112	124	75·1
March	918	875	503	119	126	81·3
April	895	868	487	130	129	81·5
May	822	839	451	140	131	81·5
June	757	808	415	156	137	81·6
July	756	809	405	153	140	81·6
August	772	806	407	154	149	82·0
September	781	809	411	158	153	81·7
October	766	776	390	166	164	81·8
November	757	752	374	174	179	81·8
December	733	721	361	180	193	81·5
1973 January	760	702	376	185	203	81·9
February	711	663	348	219	230	82·6
March	678	635	331	244	252	82·6
April	644	616	313	273	271	82·6
May	588	605	289	301	291	82·6
June	541	593	268	323	304	82·6
July	528	581	257	337	324	82·6
August	530	563	256	335	330	82·7
September	514	542	246	353	349	82·3
October	502	512	235	365	363	82·6
November	491	486	228	363	368	82·5
December	483	470	229	348	362	83·0
1974 January	593	535	292	285	304	75·2
February	596	549	297	267	278	75·8
March	538	545	295	267	274	

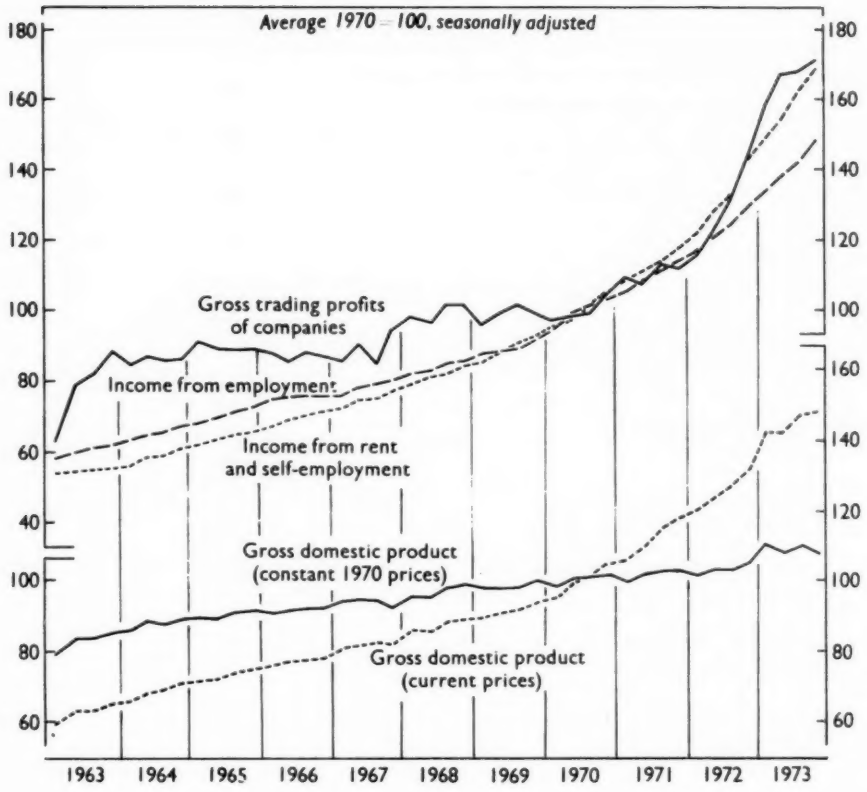
Present and previous cycles of unemployment

Great Britain

The unemployment cycle has usually lagged some months behind the production cycle (see page 19).



Incomes and output



Incomes have generally risen faster than output; as a consequence gross domestic product has grown faster in money value than in real terms.

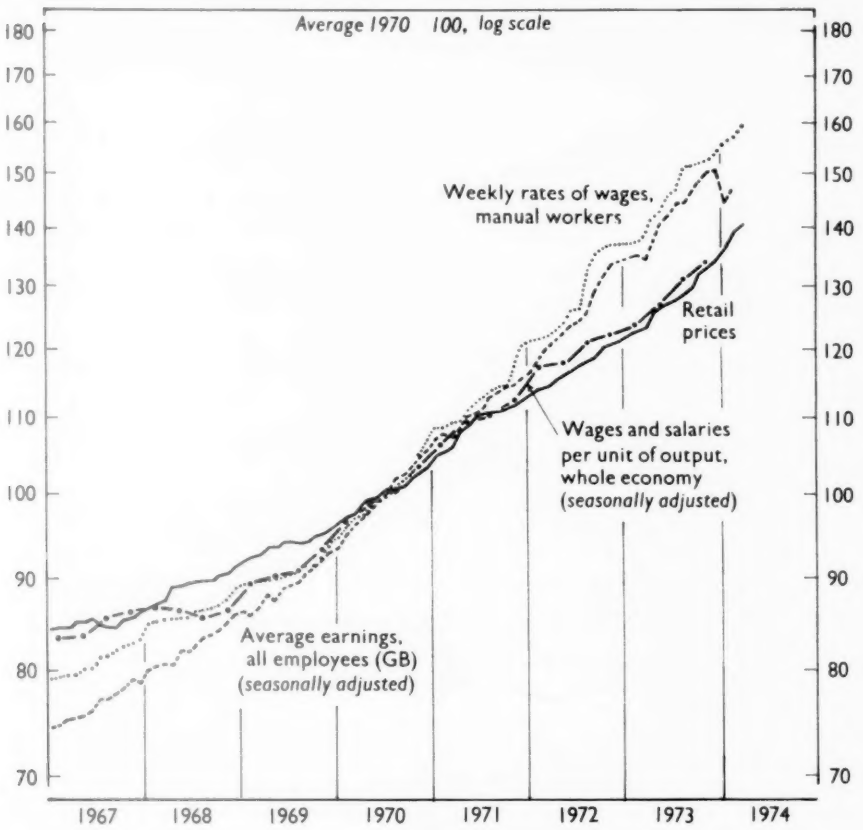
Average 1970 = 100, seasonally adjusted

	Income from employment §	Gross trading profits of companies §	Income from rent and self-employment §	Gross domestic product(1)	
				At current prices	At constant (1970) prices §
Value in 1973 (£ million)	*42,559*	*8,632*	*11,131*	*62,079*	*46,925*
1969 1st quarter	87·6	96·5	85·4	89·5	98·1
2nd quarter	88·3	99·8	88·2	90·4	97·9
3rd quarter	89·6	101·2	90·4	92·0	98·3
4th quarter	92·7	99·2	92·6	94·0	99·6
1970 1st quarter	94·5	97·0	94·7	95·1	98·2
2nd quarter	99·4	99·0	98·1	99·1	100·0
3rd quarter	102·2	99·5	102·0	101·0	100·4
4th quarter	104·0	104·5	105·3	104·8	101·4
1971 1st quarter	106·1	109·1	107·8	105·9	100·1
2nd quarter	109·1	108·2	111·4	110·2	101·4
3rd quarter	112·3	113·3	114·7	116·5	103·3
4th quarter	114·4	112·6	117·7	118·3	103·3
1972 1st quarter	116·9	115·8	122·0	120·2	102·2
2nd quarter	121·6	122·7	127·8	123·4	103·4
3rd quarter	124·8	130·4	132·7	126·8	103·3
4th quarter	130·1	143·8	143·5	132·5	105·1
1973 1st quarter	134·3	157·3	148·5	142·8	110·6
2nd quarter	139·1	167·0	154·7	142·2	108·9
3rd quarter	142·7	168·5	163·1	146·9	110·1
4th quarter	147·6	171·2	169·5	147·8	108·6

(1) Gross domestic product at factor cost, based on expenditure data.

Wage rates, earnings, wages and salaries per unit of output and retail prices

Wage and salary earnings tend to rise together and faster than retail prices. In most periods, earnings rise faster than basic rates of pay but, with increasing productivity, wages and salaries per unit of output rise more slowly.

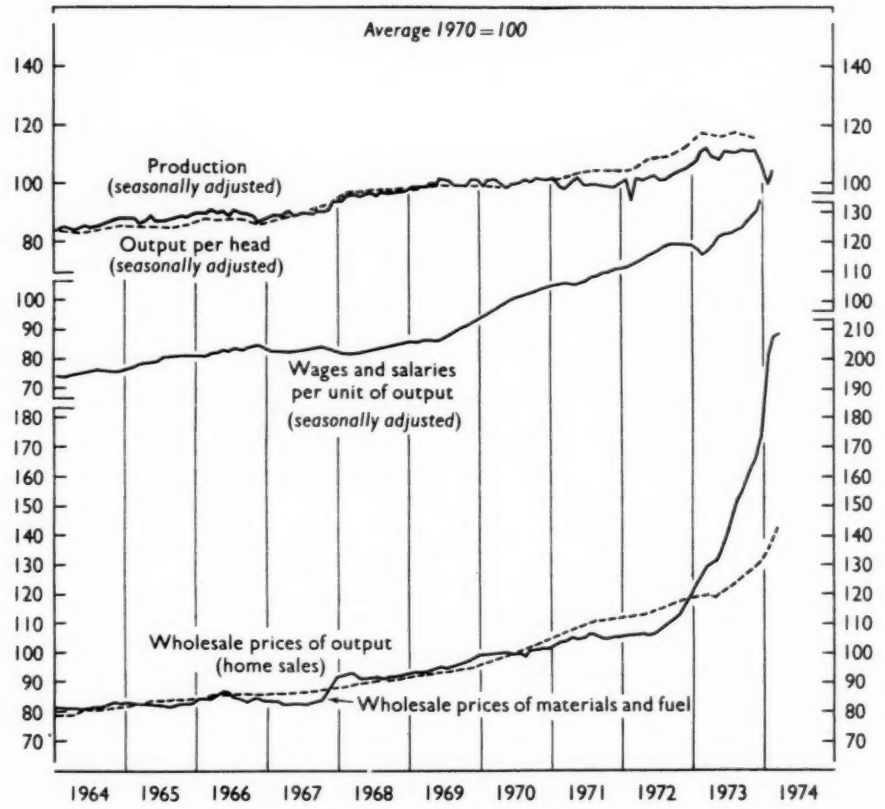


Average 1970 = 100

	Weekly rates of wages, manual workers	Average earnings, all employees (GB) §	Wages and salaries per unit of output, whole economy	General index of retail prices
		Seasonally adjusted		
1970 1st quarter	96·0	95·2	96·9	97·1
2nd quarter	98·3	98·4	99·0	99·5
3rd quarter	100·8	101·5	100·7	100·6
4th quarter	104·8	104·9	103·4	102·7
1971 1st quarter	108·8	107·4	106·5	105·5
2nd quarter	111·1	109·8	109·1	109·3
3rd quarter	113·9	112·9	111·1	110·8
4th quarter	117·7	114·9	112·5	112·2
1972 1st quarter	121·7	118·3(1)	116·8	113·9
2nd quarter	124·4	122·4	117·4	116·1
3rd quarter	131·1	126·6	120·6	117·9
4th quarter	136·8	133·1	122·4	120·8
1973 1st quarter	137·8	134·7	124·1	123·0
2nd quarter	143·8	139·9	126·9	126·9
3rd quarter	149·8	145·1	131·0	128·8
4th quarter	152·9	149·9	134·0	133·2
1974 1st quarter	157·5			138·8
2nd quarter				
3rd quarter				
4th quarter				

(1) As industrial activity was severely disrupted by restricted electricity supplies, no enquiry was held in February. The index is therefore given as an average of the January and March figures.

Manufacturing industry: output, costs and prices



There are cyclical variations in the growth of output per head and in wages and salaries per unit of output. Wholesale prices of output are not generally sensitive to these short-term fluctuations but follow rather their long-term trend.

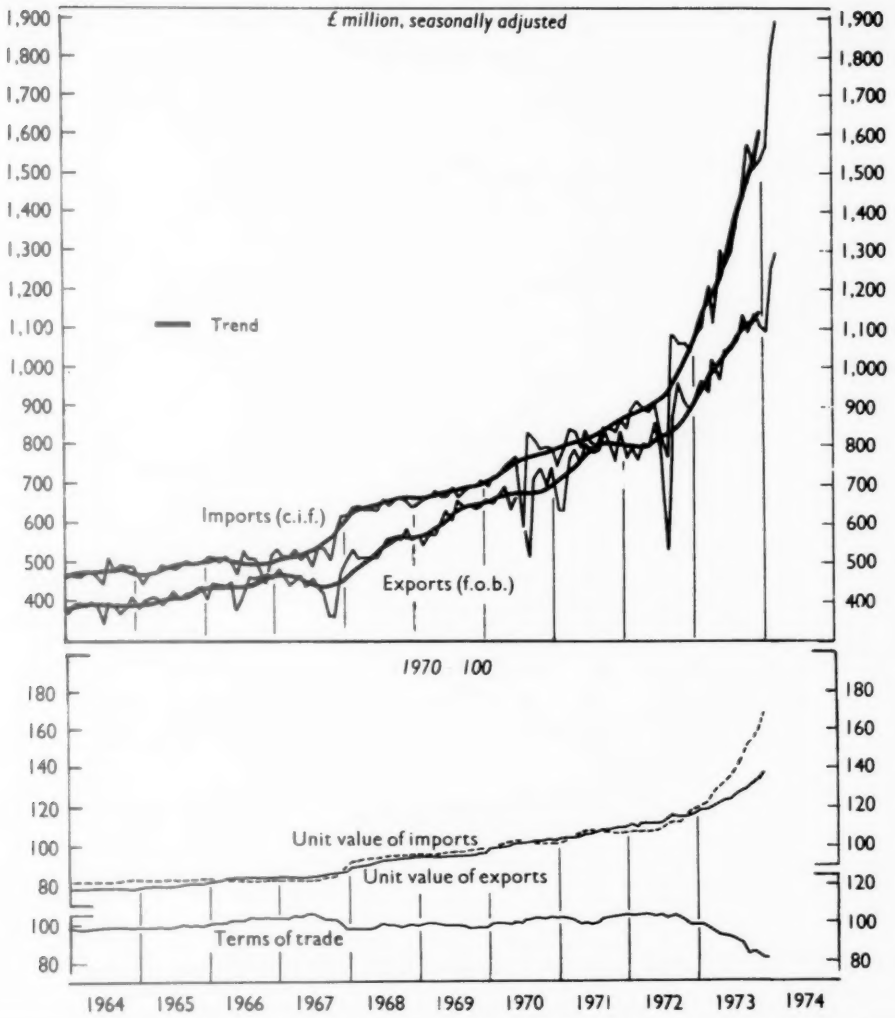
Average 1970 = 100

	Production	Output per head	Wages and salaries per unit of output	Wholesale prices	
	Seasonally adjusted			Materials and fuel(1)	Output Home sales(2)
1970 1st quarter ..	99·7	99·3	95·4	99·2	96·7
2nd quarter ..	99·2	98·9	99·3	99·7	98·9
3rd quarter ..	100·2	100·3	101·6	99·8	100·9
4th quarter ..	100·8	101·4	103·7	101·4	103·4
1971 1st quarter ..	99·7	100·8	105·7	103·0	106·3
2nd quarter ..	100·2	103·1	106·0	104·9	108·7
3rd quarter ..	99·3	103·3	108·3	105·6	110·3
4th quarter ..	98·8	104·1	110·0	104·8	110·8
1972 1st quarter ..	98·6	105·0	111·9(3)	105·6	112·1
2nd quarter ..	101·2	108·1	115·2	106·1	113·5
3rd quarter ..	102·3	109·3	118·6	109·4	115·6
4th quarter ..	105·4	112·7	119·7	115·6	118·0
1973 1st quarter ..	110·4	117·7	116·8	126·0	119·5
2nd quarter ..	109·4	116·1	121·1	133·4	120·1
3rd quarter ..	110·7	117·3	124·4	150·5	124·2
4th quarter ..	109·7	116·0	130·8	167·2	129·1
1974 1st quarter ..				206·5	138·2
2nd quarter ..					
3rd quarter ..					
4th quarter ..					

(1) Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971. (2) Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products, index numbers for quarters from 2nd quarter 1973 onwards would have been higher by 1·7. (3) Average of the January and March figures. See footnote (1) on page 29.

Exports and imports: terms of trade

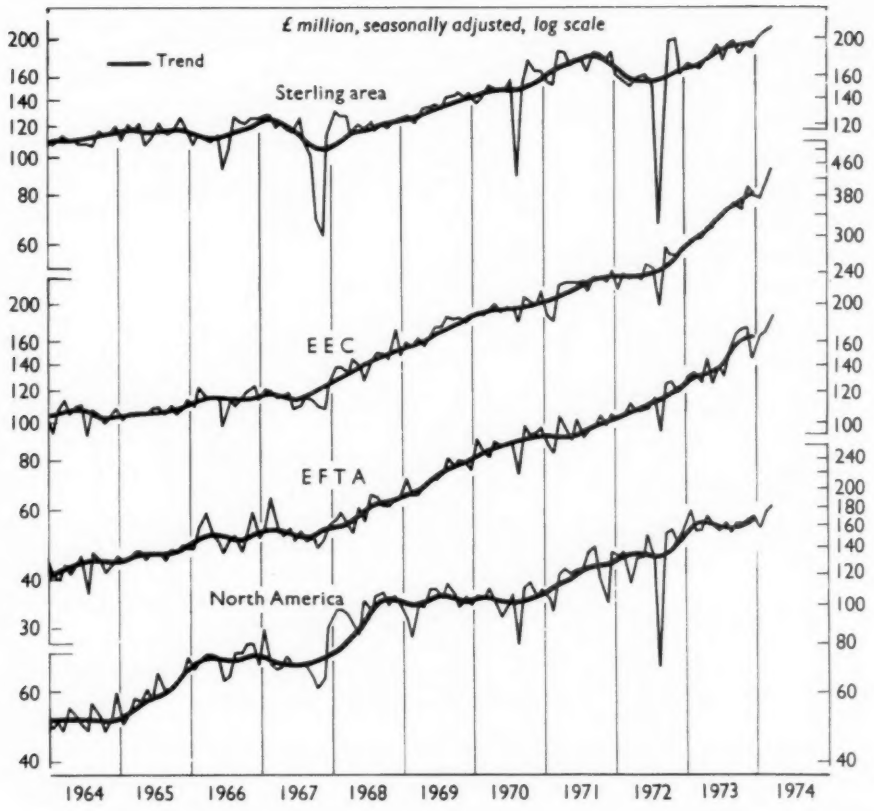
The index numbers of unit value give measures of price changes in United Kingdom exports and imports. A rise in the terms of trade (unit value index for exports divided by unit value index for imports) is favourable to the visible balance of payments.



		Exports (f.o.b.) §	Imports (c.i.f.) §	Unit value of exports	Unit value of imports	Terms of trade
		£ million, seasonally adjusted		1970=100		
1972	October	954	1,066	114·1	113·1	100·9
	November	914	1,067	115·0	116·3	98·9
	December	893	1,039	116·2	118·2	98·3
1973	January	941	1,085	118·0	119·1	99·1
	February	960	1,094	118·3	121·9	97·0
	March	935	1,211	119·7	125·7	95·2
	April	1,013	1,112	121·9	129·5	94·1
	May	966	1,303	123·0	132·3	93·0
	June	1,036	1,264	123·9	134·7	92·0
	July	1,042	1,308	125·6	138·9	90·4
	August	1,075	1,410	127·8	144·8	88·3
	September	1,134	1,445	128·5	152·1	84·5
	October	1,089	1,574	132·0	154·9	85·2
	November	1,137	1,515	133·8	161·3	83·0
	December	1,126	1,533	138·0	168·5	81·9
1974	January	1,097	1,570			
	February	1,253	1,807			
	March	1,292	1,894			

Note : The figures on this page are calculated on an *Overseas Trade Statistics* basis. No adjustment has been made for factors affecting the recording of exports. The imports figures exclude US military aircraft.

Exports: analysis by destination

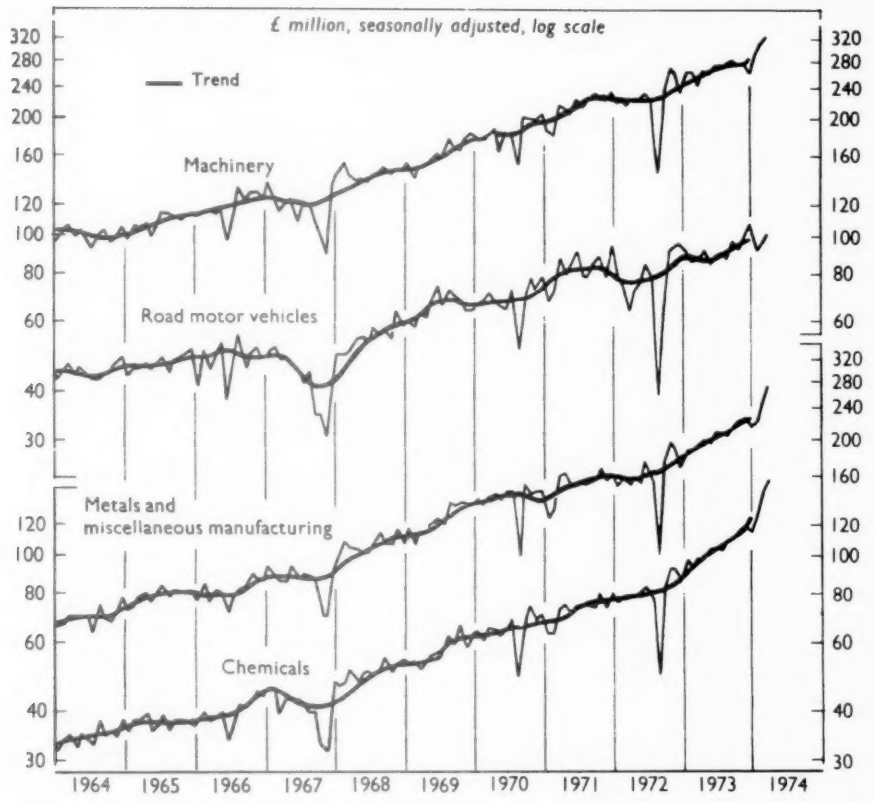


£ million, seasonally adjusted

		Total	Sterling area outside Europe(1)	EEC(2)	EFTA(2)	North America
1972	January	768	161	219	102	132
	February	794	156	239	103	136
	March	763	150	232	111	114
	April	800	158	235	108	131
	May	798	159	231	108	132
	June	856	161	251	109	150
	July	801	152	246	116	129
	August	532	67	199	95	70
	September	871	144	278	127	152
	October	954	198	268	128	155
	November	914	199	267	120	144
	December	893	162	273	122	153
1973	January	941	172	285	131	174
	February	960	169	296	134	154
	March	935	168	296	126	155
	April	1,013	176	313	146	169
	May	966	182	312	125	159
	June	1,036	192	334	139	155
	July	1,042	177	341	131	161
	August	1,075	194	354	152	151
	September	1,134	197	366	169	161
	October	1,089	183	350	172	161
	November	1,137	194	400	174	165
	December	1,126	190	383	146	170
1974	January	1,097	201	370	167	159
	February	1,253	210	407	170	175
	March	1,292	213	443	189	181

(1) Excluding Irish Republic which is included in EEC. (2) 1973 basis.

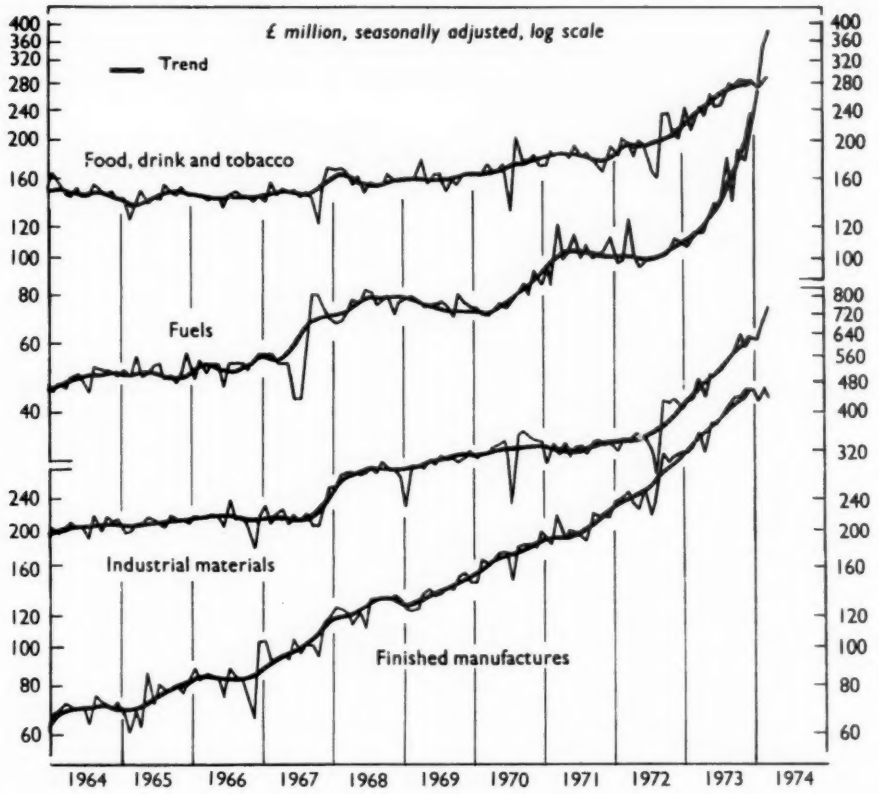
Exports: analysis by commodity classes



£ million, seasonally adjusted

		Total	Machinery	Road motor vehicles	Metals and miscellaneous manufacturing	Chemicals
1972	January	768	220	78	152	76
	February	794	225	75	159	79
	March	763	213	65	153	77
	April	800	224	73	160	80
	May	798	223	78	156	82
	June	856	232	84	175	84
	July	801	227	78	157	79
	August	532	148	38	101	50
	September	871	241	67	175	83
	October	954	269	92	198	93
	November	914	261	94	185	93
	December	893	234	96	169	87
1973	January	941	263	92	188	98
	February	960	263	86	188	94
	March	935	242	87	192	99
	April	1,013	266	92	199	98
	May	966	262	85	195	102
	June	1,036	274	89	209	105
	July	1,042	276	91	208	103
	August	1,075	278	88	204	110
	September	1,134	282	97	211	111
	October	1,089	276	93	221	116
	November	1,137	278	99	227	119
	December	1,126	262	104	218	117
1974	January	1,097	294	92	220	128
	February	1,253	312	97	245	147
	March	1,292	324	101	272	157

Imports: analysis by commodity classes

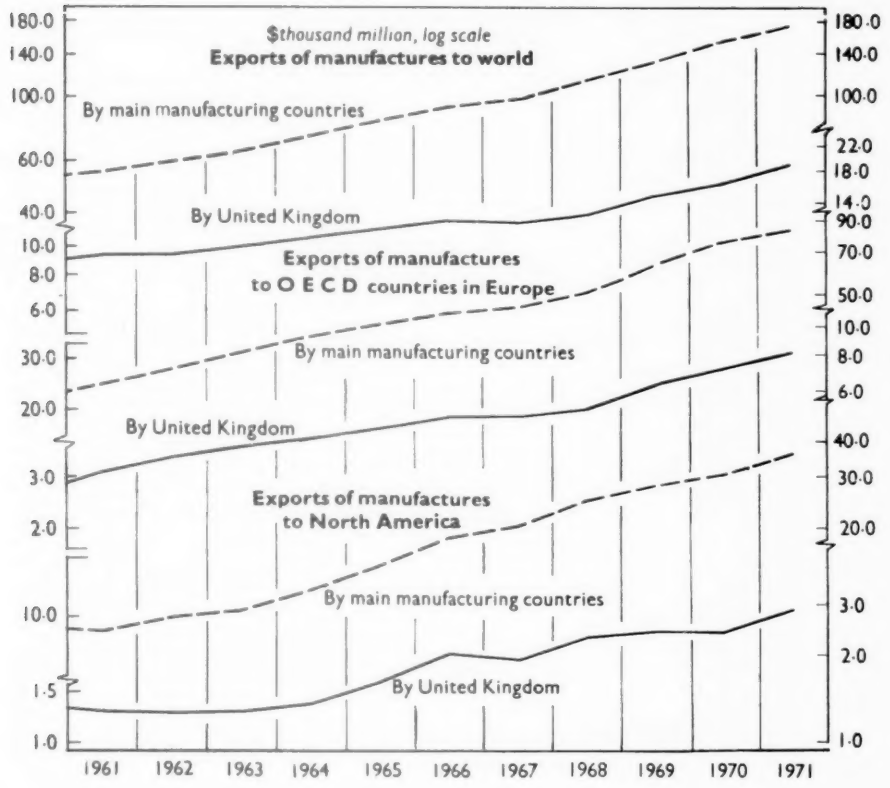


£ million, seasonally adjusted

		Total (1)	Food, drink and tobacco	Fuels	Industrial materials (2)	Finished manufactures (1)
1972	January	836	184	97	315	234
	February	886	202	99	344	240
	March	914	195	126	341	248
	April	890	181	104	348	232
	May	881	198	95	345	225
	June	904	195	99	339	253
	July	813	165	97	315	222
	August	771	161	101	267	239
	September	1,087	234	103	428	311
	October	1,066	235	104	417	298
	November	1,067	208	111	429	309
	December	1,039	202	110	409	317
1973	January	1,085	244	107	423	315
	February	1,094	212	111	431	325
	March	1,211	245	114	488	353
	April	1,112	231	114	436	316
	May	1,303	262	129	499	376
	June	1,264	246	138	495	372
	July	1,308	248	138	515	391
	August	1,410	280	180	543	411
	September	1,445	276	140	571	433
	October	1,574	286	189	637	437
	November	1,515	284	179	588	452
	December	1,533	284	188	620	452
1974	January	1,570	271	263	618	423
	February	1,807	280	347	696	459
	March	1,894	290	385	751	433

(1) Excluding US military aircraft, etc. (2) See also page 20.

United Kingdom exports of manufactures in world markets

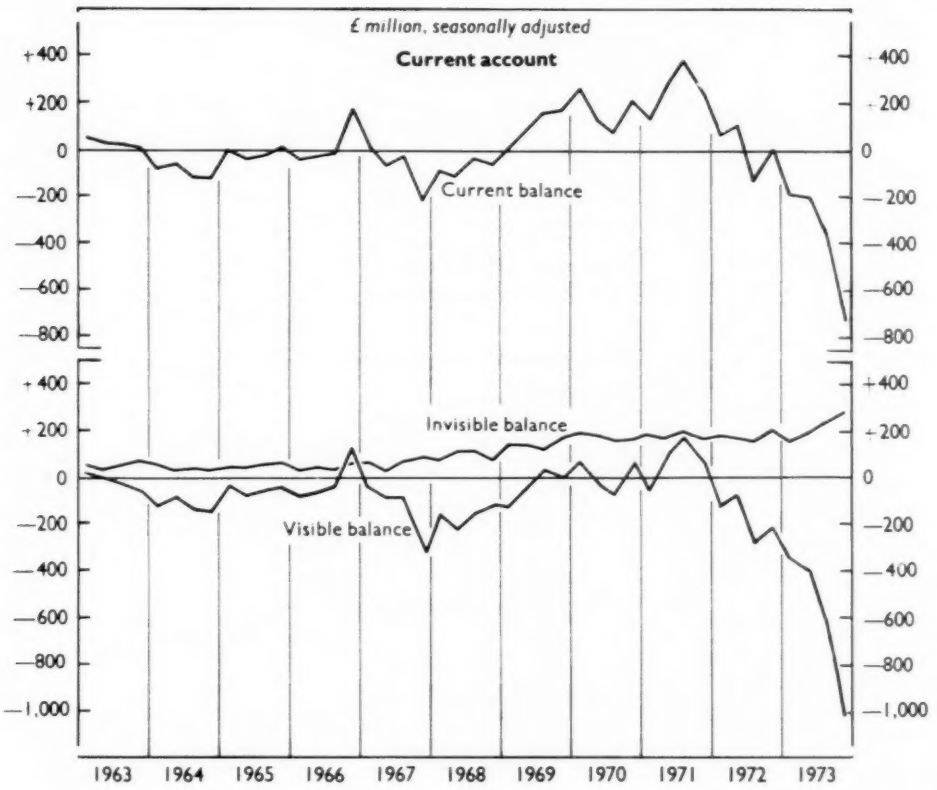


$ thousand million

	To world		To OECD countries in Europe (including Finland and Iceland)		To North America	
	By main manufacturing countries (1)	By United Kingdom	By main manufacturing countries (1)	By United Kingdom	By main manufacturing countries (1)	By United Kingdom
1961..	55·47	9·12	24·66	3·14	8·98	1·27
1962..	60·10	9·34	27·95	3·51	10·00	1·27
1963..	65·15	9·99	31·28	3·86	10·52	1·28
1964..	74·35	10·57	35·89	4·17	12·29	1·37
1965..	83·01	11·47	39·61	4·43	15·00	1·63
1966..	92·92	12·29	43·62	4·85	18·61	2·01
1967..	99·45	12·10	45·78	4·89	20·54	1·94
1968..	114·50	12·99	51·74	5·21	25·56	2·31
1969..	134·08	15·01	63·13	6·36	28·87	2·44
1970..	154·32	16·34	75·33	7·26	30·67	2·41
1971..	174·02	19·03	83·65	8·29	36·76	2·90

(1) United Kingdom, United States of America, German Federal Republic, France, Italy, Belgium/Luxembourg, Netherlands, Sweden, Switzerland, Canada and Japan.

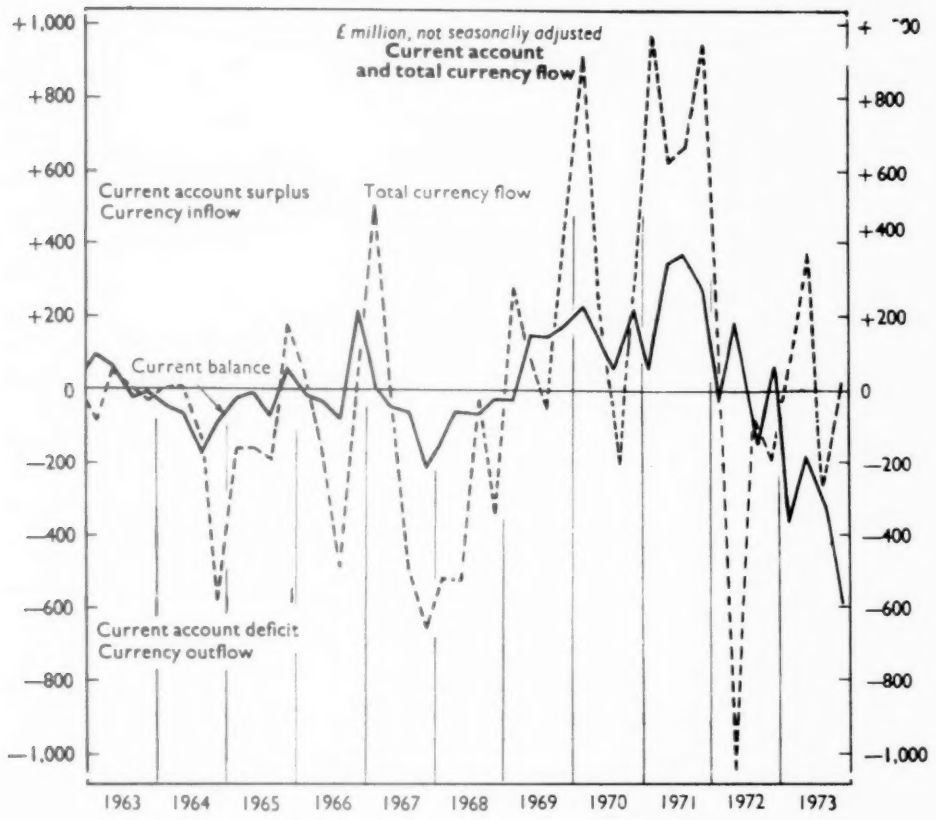
Balance of payments



£ million, seasonally adjusted

	Current account		
	Visible balance	Invisible balance	Current balance
1969 1st quarter	—129	+148	+ 19
2nd quarter	— 48	+144	+ 96
3rd quarter	+ 34	+131	+165
4th quarter	—	+171	+171
1970 1st quarter	+ 59	+197	+256
2nd quarter	— 46	+183	+137
3rd quarter	— 77	+162	+ 85
4th quarter	+ 55	+164	+219
1971 1st quarter	— 52	+199	+147
2nd quarter	+105	+185	+290
3rd quarter	+172	+209	+381
4th quarter	+ 60	+189	+249
1972 1st quarter	—121	+192	+ 71
2nd quarter	— 64	+176	+112
3rd quarter	—284	+168	—116
4th quarter	—208	+210	+ 2
1973 1st quarter	—351	+165	—186
2nd quarter	—399	+203	—196
3rd quarter	—606	+249	—357
4th quarter	—1,019	+290	—729

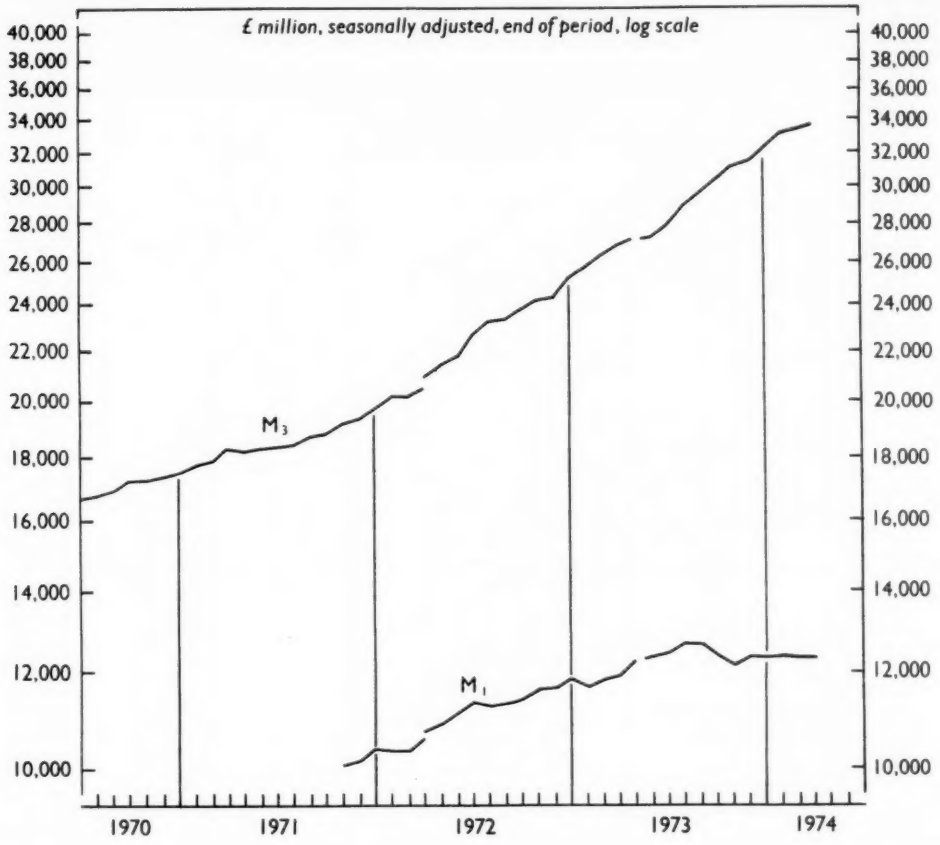
Balance of payments (*continued*)



£ million, not seasonally adjusted

	Current balance	Total currency flow
1969 1st quarter	— 26	+ 272
2nd quarter	+158	+ 82
3rd quarter	+149	— 47
4th quarter	+170	+ 436
1970 1st quarter	+234	+ 915
2nd quarter	+163	+ 227
3rd quarter	+ 70	— 202
4th quarter	+230	+ 347
1971 1st quarter	+ 66	+ 973
2nd quarter	+348	+ 634
3rd quarter	+371	+ 668
4th quarter	+282	+ 953
1972 1st quarter	— 25	+ 57
2nd quarter	+180	—1,045
3rd quarter	—155	— 79
4th quarter	+ 69	— 198
1973 1st quarter	—363	+ 69
2nd quarter	—185	+ 377
3rd quarter	—326	— 258
4th quarter	—594	+ 22

Monthly stock of money



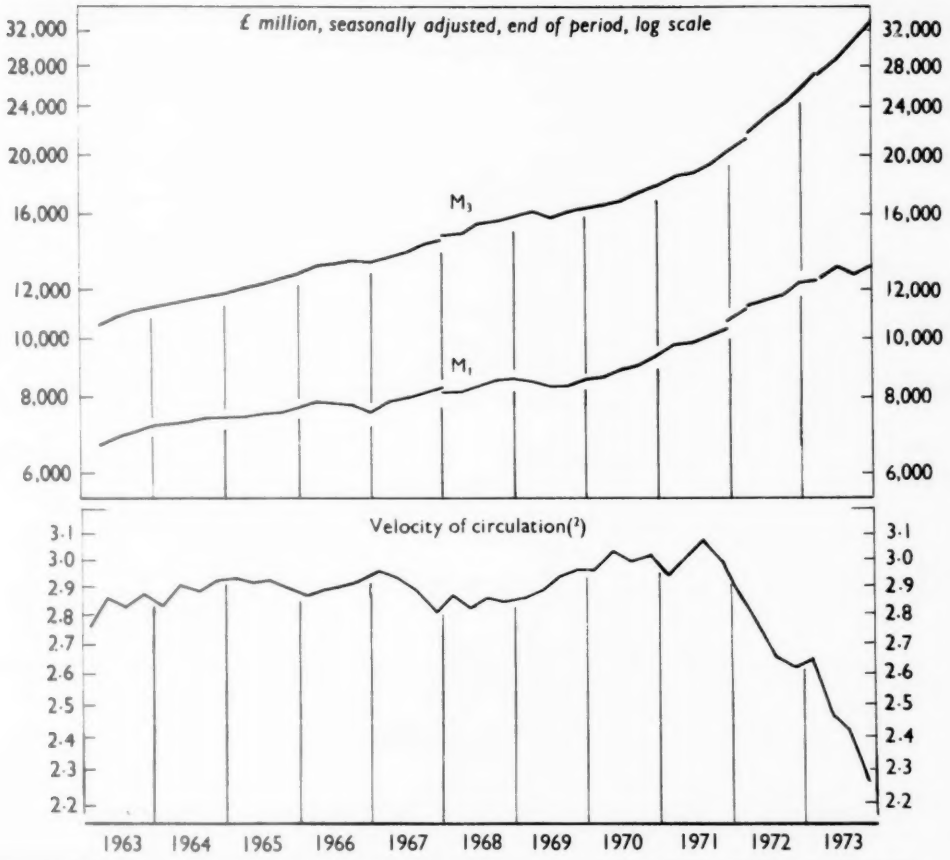
£ million, seasonally adjusted

		M1 (1)(2)		M3 (1)(2)	
		Outstanding	Changes during 'banking months' ending	Outstanding	Changes during 'banking months' ending
1972	April 19	10,940	208	21,480	547
	May 17	11,090	152	21,820	334
	June 21	11,370	276	22,660	839
	July 19	11,300	— 68	23,130	476
	August 16	11,350	47	23,300	164
	September 20	11,420	70	23,770	474
	October 18	11,580	160	24,070	299
	November 15	11,630	48	24,380	324
	December 13	11,840	210	25,070	699
1973	January 17	11,730	—101	25,630	559
	February 21	11,820	81	26,410	777
	March 21	11,940	122	26,820	409
	April 18(3)	12,270	336	27,190	373
		12,270		27,130	
	May 16	12,310	38	27,240	108
	June 20	12,440	130	27,900	659
	July 18	12,660	218	28,990	1,097
	August 15	12,620	— 42	29,610	617
	September 19	12,350	—267	30,330	720
	October 17	12,150	—197	31,100	767
	November 21	12,330	178	31,500	399
	December 12	12,320	— 14	32,320	828
1974	January 16	12,340	25	33,020	697
	February 20	12,270	— 76	33,460	437
	March 20	12,240	— 27	33,610	152

(1) An article on money stock was published in the March 1972 issue of *Economic Trends*.
(2) The break in series indicates the inclusion of five finance houses recognised or confirmed as banks in January 1972. For further details see *Financial Statistics, Notes and Definitions*, April 1973.
(3) See supplement to *Notes and Definitions* in *Financial Statistics*.

The stock of money

The breaks in the money stock series at December 1967, March 1972 and March 1973 show the effects of changes in contributors which are described in *Financial Statistics*. The break in the series for M_1 at December 1971 reflects additional statistical information and is explained in notes to Table 12 in the *Bank of England Quarterly Bulletin*, March 1972.

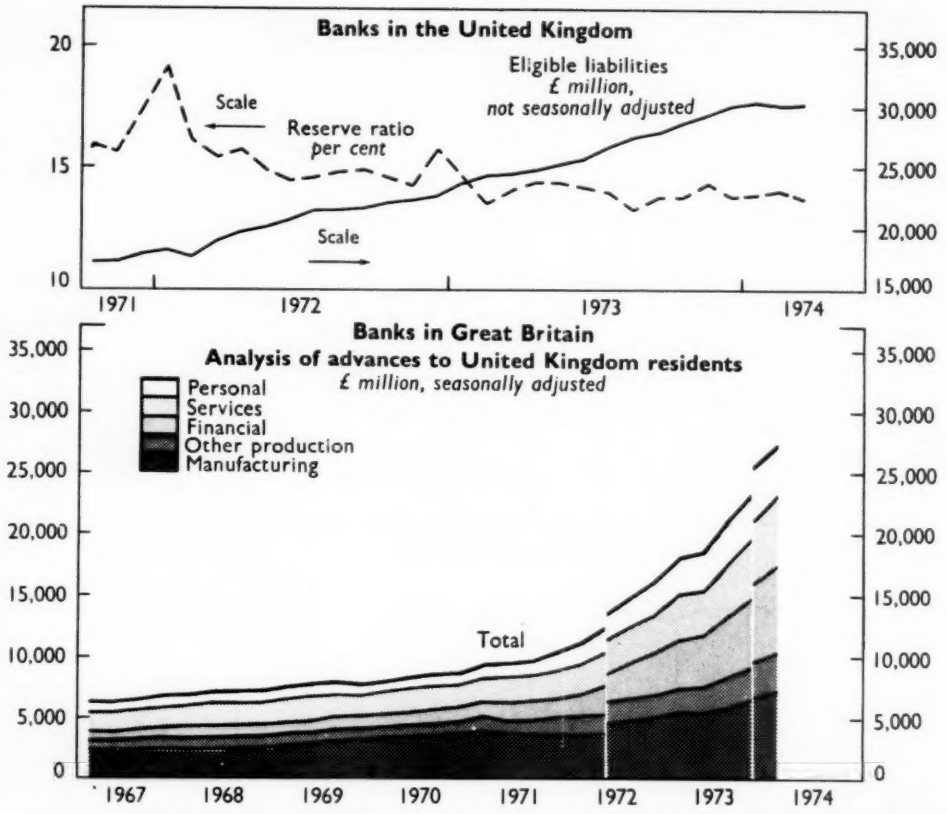


	Money stock (1)		Velocity of circulation (2)
	M_1	M_3 §	
	£ million, seasonally adjusted		
Amounts outstanding at end of period			
1969 March	8,490	16,070	2·850
June	8,330	15,870	2·884
September	8,320	16,030	2·945
December	8,580	16,300	2·966
1970 March	8,650	16,410	2·963
June	8,960	16,980	3·028
September	9,060	17,390	2·995
December	9,380	17,840	3·012
1971 March	9,800	18,420	2·950
June	9,910	18,730	3·006
September	10,230	19,200	3·080
December	10,820	20,240	2·997
1972 March	11,230	21,210	2·861
	11,290	21,620	
June	11,740	23,150	2·764
September	11,900	24,170	2·653
December	12,380	25,930	2·624
1973 March	12,430	27,430	2·647
	12,430	27,410	
June	13,180	28,650	2·463
September	12,850	30,980	2·424
December	13,100	33,160	2·269

(1) The estimates include allowance for wastage, hoarding, etc. of coin in circulation which is not incorporated in the changes shown in the chart and table on page 38. See also footnote on page 38.

(2) Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_3 seasonally adjusted.

Banking



Eligible liabilities, reserve ratio and special deposits

All banks in the UK have agreed to maintain at least 12½ per cent of their eligible liabilities (broadly, sterling deposits from outside the banking sector of two years or less *plus* any foreign currencies switched into sterling) in certain specified reserve assets (cash at the Bank of England and assets which the Bank would normally be prepared to convert into cash) and to place special deposits expressed as a percentage of eligible liabilities with the Bank when requested.

Analysis of advances to UK residents by banks in GB

The chart shows advances, in sterling and other currencies, by all banks in GB to UK residents, divided into five main categories. Funds placed in specialised financial markets (i.e. with banks, local authorities and finance houses) are not included.

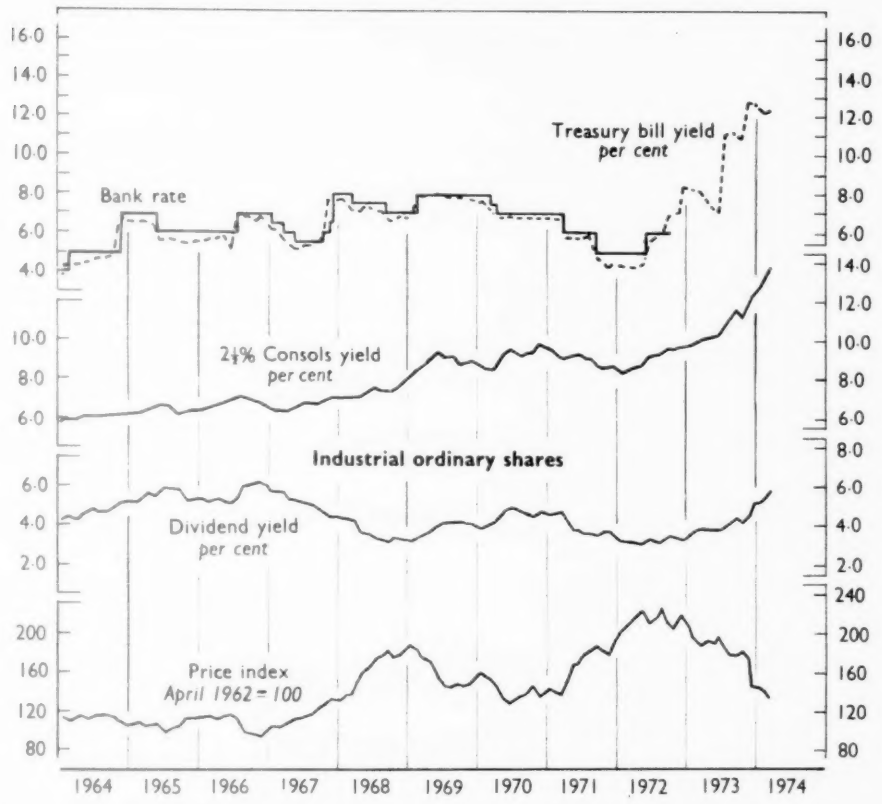
	Quarterly analysis of advances to United Kingdom residents by banks in Great Britain(1)							Banks in the United Kingdom		
	Total	Manufacturing	Other production	Financial	Services	Personal		Eligible liabilities	Reserve ratio	Special deposits(2)
	£ million, seasonally adjusted							£ million, not seasonally adjusted	Per cent	Per cent
Outstanding at mid-month							At mid-month			
1970 Feb.	7,947	3,249	1,006	969	1,838	885	1972 July	21,445	14·6	—
May	8,248	3,483	1,049	976	1,811	929	Aug.	21,413	14·8	—
Aug.	8,648	3,676	1,087	1,016	1,883	986	Sept.	21,745	14·9	—
Nov.	8,801	3,782	1,102	1,055	1,859	1,003	Oct.	22,093	14·6	—
1971 Feb.	9,294	4,004	1,123	1,135	1,990	1,042	Nov.	22,288	14·3	—
May	9,409	3,814	1,154	1,283	2,055	1,103	Dec.	22,761	15·7	½
Aug.	9,684	3,801	1,193	1,358	2,120	1,212				
Nov.	10,323	3,785	1,278	1,599	2,263	1,398	1973 Jan.	23,822(3)	14·6	3
1972 Feb.	11,050	3,830	1,336	1,840	2,403	1,641	Feb.	24,281	13·6	3
May(4)	12,411	3,880	1,485	2,421	2,643	1,982	Mar.	24,571(5)	14·1	3
	13,322	4,649	1,593	2,448	2,650	1,982	April	24,956	14·4	3
Aug.	14,941	4,937	1,718	3,017	2,906	2,362	May	25,156	14·4	3
Nov.	16,133	5,047	1,888	3,397	3,180	2,622	June	25,727	14·2	3
1973 Feb.	18,057	5,506	2,065	3,915	3,647	2,925	July	26,819	14·0	3
May	18,527	5,490	2,162	4,258	3,509	3,108	Aug.	27,445	13·3	4
Aug.	21,127	5,949	2,375	4,908	4,490	3,405	Sept.	27,977	13·8	4
Nov.(6)	23,358	6,634	2,548	5,767	4,944	3,466	Oct.	28,778	13·8	4
	25,376	6,749	2,927	6,337	5,294	4,070	Nov.	29,318	14·3	4
1974 Feb.	27,274	7,260	3,219	6,989	5,798	4,007	Dec.	30,036	13·8	5
May							1974 Jan.	30,462	13·9	5
Aug.							Feb.	30,138	14·1	4½
Nov.							Mar.	30,145	13·8	4½

(1) Until August 1973 excludes advances made by the six finance houses recognised or confirmed as banks in January 1972 or January 1973. (2) Not yet applicable to banks in Northern Ireland. (3) Banks in Northern Ireland included (increased eligible liabilities by £354 million). (4) Before and after the transfer of £734 million of certain export and shipbuilding credits from 'sterling bills discounted' to 'advances to UK residents' and certain other upward revisions totalling £178 million. (5) Including figures for one finance house recognised as a bank in January 1973. (6) Before and after the inclusion of advances by the six finance house banks totalling £2,018 million.

Interest rates, security prices and yields

Bank rate (¹)

Date of change	New rate
1960 January 21	5
June 23	6
October 27	5½
December 8	5
1961 July 25	7
October 5	6½
November 2	6
1962 March 8	5½
March 22	5
April 26	4½
1963 January 3	4
1964 February 27	5
November 23	7
1965 June 3	6
1966 July 14	7
1967 January 26	6½
March 16	6
May 4	5½
October 19	6
November 9	6½
November 18	8
1968 March 21	7½
September 19	7
1969 February 27	8
1970 March 5	7½
April 15	7
1971 April 1	6
September 2	5
1972 June 22 to October 12	6



	Bank of England's minimum lending rate (¹)	Treasury bill yield	2½% Consols yield	Industrial ordinary shares	
	Last Friday			Yield	Price index
	Percentage				April 1962 = 100
1972 January	..	4·40	8·39	3·37	201·38
February	..	4·41	8·40	3·31	206·98
March	..	4·36	8·57	3·23	213·55
April	..	4·31	8·68	3·16	219·48
May	..	4·35	8·92	3·14	223·46
June	..	5·72	9·34	3·36	211·55
July	..	5·85	9·35	3·31	215·09
August	..	5·91	9·46	3·19	224·66
September	..	6·74	9·58	3·41	210·64
October	7½	7·01	9·59	3·50	206·76
November	7½	7·06	9·58	3·43	213·26
December	9	8·48	9·71	3·33	219·31
1973 January	8½	8·29	9·79	3·50	209·35
February	8½	8·23	9·89	3·82	193·47
March	8½	8·10	10·16	3·93	188·85
April	8½	7·82	10·23	3·85	193·04
May	7½	7·33	10·34	3·87	191·66
June	7½	7·08	10·38	3·79	196·83
July	11½	11·20	10·84	4·06	185·22
August	11½	11·28	11·37	4·20	179·69
September	11½	11·25	11·60	4·48	177·52
October	11¼	10·96	11·31	4·15	182·90
November	13	12·85	11·89	4·40	173·77
December	13	12·82	12·38	5·28	145·37
1974 January	12½	12·40	12·79	5·29	144·94
February	12½	12·18	13·49	5·41	141·95
March	12½	12·35	13·84	5·85	132·89

(¹) With effect from 13 October 1972, the Bank's minimum lending rate to the market will normally be ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above; the rate normally becomes effective, for lending by the Bank, from the following Monday.

Measures of variability of some major series included in *Economic Trends* (1)

	Page	Period covered	Average percentage changes			$\bar{I}/\bar{C}$	MCD or QCD	$\bar{I}/\bar{C}$ for MCD (or QCD) span
			$\overline{CI}$	$\bar{I}$	$\bar{C}$			
Quarterly series								
National income and components at 1970 prices								
GDP, factor cost								
Expenditure based	2, 28	1st quarter 1963 to 2nd quarter 1973	1·3	0·9	0·8	1·1	2	0·4
Income based	2	" " " " " " "	1·3	0·8	0·9	0·9	1	0·9
Output based	2	" " " " " " "	0·9	0·5	0·8	0·6	1	0·6
Average estimate	2	" " " " " " "	1·0	0·7	0·8	0·8	1	0·8
Consumers' expenditure	3	" " " " " " "	1·2	0·7	0·8	0·9	1	0·9
Fixed capital formation								
Total	4	" " " " " " "	2·4	1·6	1·4	1·2	2	0·5
Manufacturing industry	4, 12	" " " " " " "	3·1	1·9	2·1	0·9	1	0·9
Stockbuilding(2)								
Total	4, 16	" " " " " " "	*74·9*	*68·7*	*36·1*	1·9	2	0·7
Manufacturing	4, 16	" " " " " " "	*57·6*	*45·4*	*27·7*	1·6	2	0·6
Exports: goods and services	8	" " " " " " "	3·6	2·6	1·8	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	1·9	1·7	1·2	2	0·5
Personal disposable income	3	" " " " " " "	1·5	1·0	0·9	1·1	2	0·4
Other national income series								
Income from employment	28	" " " " " " "	2·1	0·4	2·1	0·2	1	0·2
Gross trading profits of companies	28	" " " " " " "	3·9	2·6	2·5	1·0	2	0·4
Income from rent and self-employment	28	" " " " " " "	2·6	0·5	2·5	0·2	1	0·2
Other quarterly series								
New construction output	23	1st quarter 1964 to 4th quarter 1971	1·6	1·2	0·7	1·6	2	0·9
Money stock (M_3) (3)	39	1st quarter 1963 to 4th quarter 1972	2·6	0·5	2·1	0·2	1	0·2
Monthly series(4)								
Retail sales								
Total: current prices	11	January 1961 to August 1973	1·0	0·8	0·5	1·5	2	0·8
Total: constant prices	11	" " " " "	0·9	0·8	0·2	3·5	4	0·9
Food shops	11	" " " " "	0·6	0·6	0·1	3·9	5	0·9
Clothing and footwear shops	11	" " " " "	2·0	2·0	0·3	5·7	6	
Durable goods shops	11	" " " " "	1·6	1·4	0·7	2·1	3	0·7
Other non-food shops	11	" " " " "	1·0	1·0	0·4	2·7	3	0·9
Cars: new registrations	11	January 1954 to December 1972	7·2	6·5	2·5	2·6	4	0·7
Housing: public authorities(5)								
Starts	15	January 1956 to December 1973	11·9	11·7	1·4	8·2	6	
Completions	15	" " " " "	8·2	8·1	1·0	7·7	6	
Housing: private								
Starts	15	" " " " "	7·8	7·4	2·0	3·7	4	1·0
Completions	15	" " " " "	5·5	5·5	0·9	6·0	6	
Index of industrial production								
All industries	2, 18	January 1968 to December 1972	0·7	0·6	0·2	3·4	4	0·9
Manufacturing industries	2	" " " " "	0·8	0·7	0·3	2·8	3	1·0
Engineering and allied industries	18	" " " " "	1·2	1·2	0·3	4·0	5	0·8
Chemicals and allied industries	18	" " " " "	1·6	1·5	0·4	3·5	4	0·9
Textiles, leather and clothing industries	18	" " " " "	1·5	1·4	0·3	4·7	6	0·9
Crude steel production	21	January 1962 to April 1972	3·9	3·6	1·1	3·2	4	0·9
Passenger car production:								
Home market	22	January 1958 to December 1971	9·0	8·0	2·5	3·2	5	1·0
Export	22	" " " " "	8·3	7·6	2·2	3·4	4	0·9
Commercial vehicle production:								
Home market	22	" " " " "	7·9	7·4	1·6	4·7	6	
Export	22	" " " " "	7·5	7·3	1·6	4·8	5	0·9
Unemployed(6)	26	January 1961 to December 1972	*10·8*	*4·3*	9·6	0·4	1	0·4
Unfilled vacancies(6)	3, 26	" " " " "	*4·8*	*2·1*	4·2	0·5	1	0·5
Average earnings	3, 29	January 1963 to December 1972	0·8	0·4	0·7	0·6	1	0·6
Exports: value, f.o.b.	31	January 1957 to December 1971	3·7	2·7	0·8	3·4	4	0·8
Imports: value, c.i.f.	31	" " " " "	2·9	1·8	0·8	2·3	3	0·7

(1) For a complete description of these measures see article 'Measuring variability in economic time series' in the August 1972 issue of *Economic Trends*. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\bar{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\bar{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additional model, see footnotes (2), (3) and (5).

$\bar{I}/\bar{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\bar{I}$ and $\bar{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\bar{I}/\bar{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

(2) The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\bar{I}$ and $\bar{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

(3) Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\bar{I}$ and $\bar{C}$ are presented as percentages of the level of the trend in the preceding quarter.

(4) Series are included in this section if they are normally published in monthly form. For some of these series only short runs of monthly figures are given in *Economic Trends*, and in some cases they are given only as quarterly averages. Reference should be made in these cases to the *Monthly Digest of Statistics*, which contains most of them, or to the original sources.

(5) Series relate to Great Britain, though variability measures calculated from England and Wales component.

(6) The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\bar{I}$ and $\bar{C}$ are not percentage changes but [differences in units] of thousands.

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